SOHO
SOCIAL HOUSING REIT

SECURE FUTURES FOR PEOPLE IN NEED

SOCIAL HOUSING REIT PLC
ANNUAL REPORT & ACCOUNTS 31 DECEMBER 2024

WHO WE ARE

Social Housing REIT plc invests in social housing properties in the UK, focusing on homes in the Specialised Supported Housing sector which have been adapted or purpose built for people with mental and/or physical care and support needs.

We believe our residents deserve a home in a community setting that offers greater independence than traditional institutional accommodation whilst meeting their specialist care needs.

We are one of the leading, and the only publicly quoted, Specialised Supported Housing investors in the UK, helping provide a secure future for people in need across the country whilst ensuring that our shareholders have an attractive, long-term income source.

WHAT WE DO

We seek to offer vulnerable people across the UK tenancies in properties which are appropriate for their specific care and support requirements. These needs often result from mental health problems, learning disabilities, or physical and sensory impairment.

Our accommodation differentiates itself by serving as a home within a community. This compares with the care facilities that have historically been the mainstay for vulnerable people whose care needs are similar to our residents. We also seek to provide value for money to local and central government budgets by offering housing that is more suitable and cost-effective than institutional alternatives.

Our portfolio of high quality, safe and appropriately adapted properties is leased to Approved Providers, who receive payments from central or local government to provide homes for our residents. Through these leases, we offer our shareholders sustainable long-term income that is correlated with inflation.

KEY HIGHLIGHTS

£626.4m
Portfolio valuation
(December 2023: £678.4 million)

6.44%
EPRA net initial yield (NIY)
(December 2023: 5.57%)

0.99x
Adjusted Dividend Cover
(December 2023: 0.85x)

£42.6m
Contracted rental income
(December 2023: £41.0 million)

5.46p
Dividend per ordinary share
(December 2023: 5.46 pence)

494
Portfolio properties
(December 2023: 493)

3,424
Portfolio units
(December 2023: 3,417)

99.05p
EPRA NTA Per ordinary share
(December 2023: 113.76 pence)

5.08p
EPRA Earning per Share
(December 2023: 4.92p)

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THE YEAR IN BRIEF

Following an independent review of investment management arrangements in May 2024, the Company announced it had selected Atrato Partners Limited ("Atrato") to be appointed as the Company's new investment manager with effect from 1 January 2025. Atrato was selected due its deep sector knowledge, investment trust experience and strategic vision for the Company and the broader supported housing sector. The appointment will bring a fresh perspective to the Company's portfolio, its operational challenges and help deliver solutions to improve performance, which should ultimately help to narrow the discount to NAV. It will also deliver a cost saving to the Company with the move to a market capitalisation-based management fee.

The Group received 92.6% of rent due during the year, with material rent arrears attributable to My Space Housing Solutions ("My Space"). As described in the Investment Manager's report, the Parasol Homes ("Parasol") to Westmoreland assignment process is approaching a successful conclusion, with improvements in both rent and occupancy. The Group intends to commence a similar process to move the My Space leases to an alternative Approved Provider(s). This action is expected to result in both improved operational performance of the properties and be value-enhancing to the Group's portfolio.

MARCH

7 MARCH

Declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 October to 31 December 2023, resulting in an aggregate total dividend of 5.46 pence per Ordinary Share for the full year ended 31 December 2023.

Tracey Fletcher-Ray succeeded Ian Reeves as Senior Independent Director with immediate effect.

MAY

3 MAY

Commenced the transfer of all 38 properties leased to Parasol to Westmoreland Housing Association.

9 MAY

Announced it would be undertaking an independent, comprehensive review of its investment management arrangements, led by its independent adviser Akur Limited.

17 MAY

Declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 January to 31 March 2024.

Confirmed that the target dividend for 2024 would be kept flat at 5.46 pence per Ordinary Share in order to preserve dividend cover for the year ended 31 December 2024.

AUGUST

1 AUGUST

Fitch Ratings reaffirmed the Company's existing Investment Grade, long-term Issuer Default Rating of "A-" and a senior secured rating of "A" for the Group's existing loan notes.

20 AUGUST

Completed the transfer of all 38 properties previously leased to Parasol to Westmoreland Housing Association.

During 2024, the Group commenced construction on a purpose-built, forward-funding project with Golden Lane Housing, a charity that is one of the leading Approved Providers in the Specialised Supported Housing ("SSH") sector. The project is due to complete in August 2025 and will deliver 12 purpose-built, specially-adapted apartments for residents in response to identified local demand.

In addition, the Group has now successfully completed the pilot phase of its EPC Upgrade Programme, focusing on upgrading the energy efficiency of 11 of the Group's properties to an EPC rating of C or above. The pilot project has enabled the Group to understand which technologies work best, how to conduct works efficiently with preferred suppliers and to work with Approved Providers to secure grant funding to subsidise the works. These learnings will be incorporated into a wider sustainability upgrade programme being developed by the new investment manager. This programme will ensure the Group remains ahead of existing and expected regulations, preserving long-term value of the Group's portfolio and providing residents with more sustainable homes to live in.

SEPTEMBER

12 SEPTEMBER
Declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 April to 30 June 2024.

30 SEPTEMBER
Announced the appointment of Atrato as the Company's new investment manager, subject to agreeing contractual terms.

NOVEMBER

21 NOVEMBER
Declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 July to 30 September 2024.

DECEMBER

23 DECEMBER
Appointed Atrato as the Company's new investment manager with effect from 1 January 2025.

24 DECEMBER
Bryan Sherriff was appointed to the Board as an Independent Non-Executive Director with effect from 1 January 2025. Bryan has been appointed to replace Ian Reeves, ensuring a smooth transition before his turn of office comes to an end at the 2025 AGM.

24 DECEMBER
Change the Company name to Social Housing REIT plc.

POST YEAR END EVENTS

10 FEBRUARY 2025
Shareholders approved a change in the Company's Investment Policy to increase the maximum exposure to any one Approved Provider to 35% (from 30%) of the Group's gross asset value, with the maximum aggregate exposure to the top two Approved Providers not to exceed 55% (previously not restricted).

7 MARCH 2025
A Company Voluntary Arrangement for My Space Housing Solutions was approved by a creditor vote. Atrato successfully negotiated an option agreement ahead of the vote, which the Company entered into, allowing it to transfer all My Space leases within a 12-month period following the completion of the CVA challenge period.

20 MARCH 2025
The Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 October to 31 December 2024, resulting in an aggregate total dividend of 5.46 pence per Ordinary Share for the full year ended 31 December 2024 in line with the target.

CHAIR'S STATEMENT

Chris Phillips
Chair

"WE REMAIN FOCUSED ON PROVIDING GOOD HOMES TO PEOPLE WITH CARE AND SUPPORT NEEDS THROUGHOUT THE UK."

I am pleased to present my Chair's statement for the newly renamed Social Housing REIT plc, the first with Atrato Partners Limited ("Atrato") as the newly appointed Investment Manager after an extensive selection process.

Throughout 2024, the Company's Portfolio continued to perform operationally, with high levels of resident occupancy and tenant satisfaction. Our homes are key facilitators of independence for those vulnerable adults who live in our Specialised Supported Housing ("SSH") properties. For the management of our homes, we rely exclusively on registered providers of social housing ("Approved Providers") who maintain our properties and collect the rent paid for our residents through housing benefit. Unfortunately, challenges with two of the Approved Providers, Parasol and My Space, have impacted the level of rent received by the Company during the year.

Following its appointment, Atrato is working to resolve these current challenges, completing the stabilisation of properties transferred from Parasol to Westmoreland during the year and delivering a solution to the properties currently leased to My Space in the year ahead.

Atrato are committed to taking a more proactive approach to resolving any future issues with Approved Providers, before they escalate to the extent we have experienced with Parasol and My Space. Alongside this, Atrato is already exploring options to develop long-term solutions to mitigate counterparty risk through structuring solutions which would enhance the security of the Company's claim to rents owed in respect of its properties.

Outside of our portfolio, broader investment market conditions remained challenging, particularly in the investment trust sector. The Company's share price continued to trade at a material discount to Net Asset Value ("NAV"), despite the reduction in NAV resulting from the valuation falls recognised during the year.

REVIEW OF INVESTMENT MANAGEMENT ARRANGEMENTS

In May 2024, after careful consideration, the Board decided to conduct an independent review of the investment management arrangements for the Company, inviting proposals from both Triple Point Investment Management LLP ("Triple Point") and alternative investment managers. The Board was impressed by both the number and the quality of the proposals submitted, which ultimately resulted in the Board appointing Atrato in September 2024, succeeding Triple Point from 1 January 2025.

Atrato was selected due to its deep sector knowledge, investment trust experience and strategic vision for SOHO and the broader supported housing sector. I believe the new investment management team at Atrato will bring a fresh perspective and a renewed focus to the Company, leveraging their experience and ambition for the sector to proactively manage the portfolio, restore investor confidence and ultimately help to narrow the discount to NAV.

The Board set a target of 1 January 2025 for the completion of the transfer of investment manager, which included the transfer of the outgoing manager's operational team, data and systems. We would like to thank Atrato, Triple Point and all advisers involved for their input in ensuring a swift and very smooth transition.

Atrato has been a market leader in moving its investment management fees to a market capitalisation basis, ensuring alignment with the interests of shareholders. The new fee basis delivers a significant annual saving to the Company. The Board has also asked the new Investment Manager to conduct a thorough line-by-line review of the Group's cost base to ensure the Group is getting best value for money from all of its service providers and that its costs are appropriate for the size of the Group and in line with the wider sector.

MACROECONOMIC BACKDROP

The macroeconomic environment remained challenging throughout the year. Concerns that interest rates would remain 'higher for longer' put sustained pressure on property valuations. Nonetheless, the general decline in inflation (despite a modest uptick in the final quarter) is providing some relief and we are optimistic that UK interest rates will continue to decline further during 2025 which should be positive for property sector valuations.

The Company benefits from a very attractive long-term cost of debt. The Company's debt is fixed rate, with a weighted average term of 8.6 years and at a weighted average fixed rate of 2.74%.

SECTOR TAILWINDS

The UK residential sector continues to face a major imbalance between supply and demand. The new Labour government has set out its ambitions to facilitate a much-needed increase in the delivery of new homes, albeit with a target supply level remaining unchanged at 300,000 homes per year. However, supply responses in the built environment are complex and will take time to deliver. The demand for SSH continues to rise, resulting in high levels of occupancy across the SSH sector and the Company's portfolio.

Central and local Government continue to provide financial support for individuals who require housing and care. This strong demand dynamic, combined with inflation-linked rental growth, has helped offset some of the broader valuation declines of the Group's property portfolio over the last 12 months.

OPERATIONAL PERFORMANCE

Across the portfolio, outside of the Parasol and My Space issues noted above, rent collection remained strong with 100% collection. The homes within the portfolio are well maintained and well utilised by residents in need of our properties. We look forward to both extending our upgrade programme to improve building efficiency and completing the development of our new scheme in Chorley later in the year. The void units are largely attributable to the homes originally leased to Parasol and My Space and these are the immediate focus of the new investment manager.

Atrato is assessing the current portfolio and has identified that there are a small number of units which are not suitable for SSH or do not otherwise meet our required standards. It has been determined that these properties will be disposed of over the coming months. The proposed, larger portfolio sale identified in early 2024 did not progress, due to the inability of the counterparty to secure the necessary funding.

CHAIR'S STATEMENT

Post-year end, the Company received overwhelming shareholder approval to amend its Investment Policy, permitting a maximum exposure of 35% to any one Approved Provider, where it was previously restricted to 30%. This additional flexibility ensures that we have the fullest range of solutions to move the properties away from My Space. We are confident that we will deliver a successful assignment of the My Space leases during the first half of the year, leading to both improved occupancy and the resumption of rent collection.

2025 OUTLOOK

Following the completion of these initiatives, the portfolio will be well positioned and we are confident about the future of the Company. We expect our improving rent collection and resident occupancy will contribute to narrowing the discount to NAV. We also believe a proactive, transparent approach will be key to restoring investor confidence in the Company and the sector.

Financially, the dividend for the year was effectively covered (0.99x) and the transition of the management fee basis will reduce costs going forwards. Atrato are also undertaking a line-by-line review of costs across the Company to identify any further savings which can be made. From this position, the completion of the Westmoreland transfer and recommencement of rent collection for the properties leased to My Space will drive top line growth in 2025, providing earnings and valuation upside.

Atrato will also look to continue to roll out its EPC Upgrade Programme across the portfolio, building on the results of the pilot project to meet legislative targets and deliver operational efficiencies for residents in our homes. It will also oversee the completion of our first new development for some time, with 12 new homes being delivered into our portfolio later in the year.

As we look forward to these positive changes and the year ahead, I would like to thank our advisers and shareholders for their continued support. I would also like to thank the Triple Point team for their dedication to the Company in the seven years since its IPO and their efforts in building a substantial, diversified portfolio.

We are excited to take SOHO forwards with Atrato, building on our track record of providing much needed homes for vulnerable residents, allowing them to live independent and happy lives whilst delivering long-term, growing income for shareholders.

Chris Phillips
Chair

21 March 2025

Clock Tower Park, Liverpool

STRATEGY AND BUSINESS MODEL

The Board is responsible for the Company's Investment Objective and Investment Policy and has overall responsibility for ensuring the Group's activities are in line with this overall strategy.

Atrato, the Company's new investment manager, is undertaking a thorough review of the properties, lessees and relevant metrics as part of its onboarding of the portfolio. Whilst the overarching strategy of the Company is not intended to change, the approach already being implemented by Atrato is one of transparency, proactive asset management and a renewed focus on property fundamentals. The social housing team at Atrato comprises individuals with deep sector experience, knowledge and connections. Combined with the portfolio experience of the team who transferred from Triple Point, we believe Atrato is well placed to deliver on the Company's Investment Objective, resolving existing portfolio challenges and re-positioning the Company for success.

INVESTMENT OBJECTIVE

The Company's Investment Objective is to provide shareholders with stable, long-term, inflation-linked income from a portfolio of social housing assets in the United Kingdom with a focus on Specialised Supported Housing assets. The portfolio comprises investments in operating assets and the forward funding of pre-let development assets. The Group seeks to optimise the mix of these assets to enable it to pay a covered dividend increasing in line with inflation and so generate an attractive risk-adjusted total return.

INVESTMENT POLICY[2]

To achieve its Investment Objective, the Group invests in a diversified portfolio of freehold or long leasehold social housing assets in the UK. Supported Housing assets account for at least 80% of the Group's gross asset value. The Group acquires portfolios of social housing assets and single social housing assets, either directly or via SPVs. Each asset is subject to a lease or occupancy agreement with an Approved Provider. The rent payable thereunder is, or is expected to be, subject to adjustment in line with inflation (generally CPI) or central housing benefit policy. Title to the assets remains with the Group under the terms of the relevant lease. The Group is not primarily responsible for any management or maintenance obligations under the terms of the lease or occupancy agreement, which typically are serviced by the Approved Provider lessee, save that the Group may take responsibility for funding the cost of planned maintenance. The Group is not responsible for the provision of care to residents of Supported Housing assets.

The social housing assets are sourced in the market by the Investment Manager. In asset selection, consideration is given to the alignment of an asset to supporting the impact objective sought.

The Group intends to hold its portfolio over the long-term, benefiting from generally long-term upward only leases which are, or are expected to be, linked to inflation or central housing benefit policy. The Group may sell investments should an opportunity arise that would enhance the value of the Group as a whole.

The Group may forward fund the development of new social housing assets when the Investment Manager believes that to do so would enhance returns for shareholders and/or secure an asset for the Group's portfolio at an attractive yield. Forward funding will only be provided in circumstances in which:

(a) there is an agreement to lease the relevant property upon completion in place with an Approved Provider;

(b) planning permission has been granted in respect of the site; and

(c) the Group receives a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase and before the start of the lease.

For the avoidance of doubt, the Group will not acquire land for speculative development of social housing assets. In addition, the Group may engage third party contractors to renovate or customise existing social housing assets as necessary.

2 Approved by Shareholders on 10 February 2025.

GEARING

The Group uses gearing to enhance equity returns. The Directors will employ a level of borrowing that they consider prudent for the asset class and will seek to achieve a low cost of funds while maintaining flexibility in the underlying security requirements and the structure of both the Company's portfolio and the Group.

The Directors intend that the Group will target a level of aggregate borrowings over the medium-term equal to approximately 40% of the Group's gross asset value. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50% of the Group's gross asset value.

Debt will typically be secured at the asset level, whether over a particular property or a holding entity for a particular property (or series of properties), without recourse to the Group and having consideration for key metrics including lender diversity, cost of debt, debt type and maturity profiles.

USE OF DERIVATIVES

The Group may use derivatives for efficient portfolio management. In particular, the Group may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with the Investment Policy as part of the Group's portfolio management. The Group will not enter into derivative transactions for speculative purposes.

INVESTMENT RESTRICTIONS

The following investment restrictions apply:

- the Group will only invest in social housing assets located in the United Kingdom;
- the Group will only invest in social housing assets where the counterparty to the lease or occupancy agreement is an Approved Provider. Notwithstanding that, the Group may acquire a portfolio consisting predominantly of social housing assets where a small minority of such assets are leased to third parties who are not Approved Providers. The acquisition of such a portfolio will remain within the Investment Policy provided that at least 90% (by value) of the assets are leased to Approved Providers and, in aggregate, all such assets within the Group's total portfolio represent less than 5% of the Group's gross asset value at the time of acquisition;
- at least 80% of the Group's gross asset value will be invested in Supported Housing assets;
- the maximum exposure to any one asset (which, for the avoidance of doubt, will include houses and/or apartment blocks located on a contiguous basis) will not exceed 20% of the Group's gross asset value;
- the maximum exposure to any one Approved Provider will not exceed 35% of the Group's gross asset value, however the maximum aggregate exposure to the top two Approved Providers will not exceed 55%;
- the Group may forward fund social housing units in circumstances where there is an agreement to lease in place and where the Group receives a coupon (or equivalent reduction in the purchase price) on its investment (generally slightly above or equal to the projected income return for the completed asset) during the construction phase and before entry into the lease. Forward funding equity commitments will be restricted to an aggregate value of not more than 20% of the Group's net asset value, calculated at the time of entering into any new forward funding arrangement;
- the Group will not invest in other alternative investment funds or closed-ended investment companies (which, for the avoidance of doubt, does not prohibit the acquisition of SPVs which own individual, or portfolios of, social housing assets);
- the Group will not set itself up as an Approved Provider; and
- the Group will not engage in short selling.

The investment limits detailed above apply at the time of the acquisition of the relevant asset in the portfolio. The Group will not be required to dispose of any investment or to rebalance its portfolio as a result of a change in the respective valuations of its assets or a merger of Approved Providers.

INVESTMENT STRATEGY

The Group specialises in investing in UK social housing, with a focus on Specialised Supported Housing. The strategy is underpinned by strong local authority demand for more social housing, which is reflected in the focus on acquiring recently developed and refurbished properties across the United Kingdom. The assets within the portfolio have typically been developed for pre-identified residents and in response to demand specified by local authorities or NHS commissioners. The existing portfolio comprises investments made into properties already subject to a fully repairing and insuring lease with specialist Approved Providers in receipt of direct payment from local government (usually Registered Providers regulated by the Regulator of Social Housing), as well as forward funding of pre-let developments. The portfolio will not include any direct development or speculative development investments. Following the amendments to the Company's investment policy in May 2022, the Group can accommodate more flexible lease structures. This flexibility may include leases with shorter terms and, in certain cases, the Group may selectively take on the cost of funding planned maintenance on some properties.

In addition, we are continuing to progress the roll out of our risk-sharing clause in the Group's existing Registered Provider leases. The aim of this clause is to protect Registered Providers if factors beyond their control, such as a change in government policy in relation to Specialised Supported Housing rents, reduce the amount of rent they are able to generate from a property or properties that they lease from the Group. In some such circumstances the clause allows for the Registered Provider to agree a new rent level which is reflective of the revised circumstances. Should the new rent level not be acceptable to the Group, the Group has the ability to re-assign or terminate the lease.

BUSINESS MODEL

The Group owns and manages social housing properties that are leased to Approved Providers, being experienced housing managers (typically Registered Providers, which are often referred to as housing associations). The vast majority of the portfolio is made up of Specialised Supported Housing homes which are residential properties that have been adapted or built such that care and support can easily be provided to vulnerable residents who may have mental health issues, learning difficulties, physical disabilities or a combination of diagnosis. Whilst we have acquired operational properties, we focus on acquiring recently developed or adapted properties in order to help local authorities meet increasing demand for suitable accommodation for vulnerable residents. Local authorities are responsible for housing these residents and for the provision of all care and support services that are required.

The Specialised Supported Housing properties owned by the Group are leased to Approved Providers which are usually not-for-profit organisations focused on developing, tenanting and maintaining housing assets in the public (and private) sectors. Approved Providers are approved and regulated by the Government with the majority through the Regulator of Social Housing (or in some instances, where the Group contracts with care providers and charitable entities, the Care Quality Commission and the Charity Commission, respectively). All of the Group's existing leases are linked to inflation, are long-term and are fully repairing and insuring – meaning that the obligations for management, repair and maintenance of the property rest with the Approved Provider.

The Group may take responsibility for funding the cost of planned maintenance and improvements to the property in order to improve a property's energy efficiency and performance. Typically, the Government funds both the rent of the individuals housed in Specialised Supported Housing and the maintenance costs associated with managing the property. In addition, because of the vulnerable nature of the residents, the rent and maintenance costs are typically paid directly from the local authority to the Approved Provider. The rent paid by the Local Authority to the Approved Provider on behalf of the residents is then paid to the Group via the lease. Ultimate funding for the rent typically comes from the Department for Work and Pensions in the form of Housing Benefits.

The majority of residents housed in Specialised Supported Housing properties require support and/or care. Care and support provision sits outside of the Group, being provided to the residents by a separate care provider regulated by the Care Quality Commission. The agreement for the provision of care for the residents is between the Local Authority and the care provider. The care provider is paid directly by the Local Authority with funding ultimately coming from the Department of Health and Social Care. The Group has no direct financial or legal relationship with the care provider and the Group never has any responsibility for the provision of care to the residents in properties the Group owns. The care provider will often be responsible for nominating residents into the properties and, as a result, will normally provide some voids cover to the Approved Provider should they not be able to fill the asset (i.e. if occupancy is not 100%, it is often the care provider rather than the Approved Provider that will cover the cost of the rent due on void units). Under the terms of its lease, the Group is owed full rent regardless of underlying occupancy, but monitors occupancy levels and the payment of voids cover by care providers, to ensure that Approved Providers are appropriately protected.

Many assets that the Investment Manager sources for the Group have been recently developed and are either specifically designed new build properties or renovated existing houses or apartment blocks that have been adapted for Specialised Supported Housing. The benefit of buying recently developed or adapted stock is that it has been planned in response to Local Authority demand and is designed to meet the specific requirements of the residents. In addition, it enables the Group to work with a number of high-quality developers on pipelines of deals rather than being reliant on acquiring portfolios of already-built assets on the open market. This has two advantages: firstly, it enables the Group to source the majority of its deals off-market through trusted developer partners and, secondly, it ensures the Group has greater certainty over its pipeline with visibility over the long-term deal flow.

As well as acquiring recently developed properties, the Group can provide forward funding to developers of new Specialised Supported Housing properties. Being able to provide forward funding gives the Group a competitive advantage over other purchasers as it enables the Group to offer developers a single funding partner for both construction and the acquisition of the completed property. This is often more appealing to developers than having to work with two separate funders during the build of a new property as it reduces practical and relationship complexity. As well as strengthening developer relationships, forward funding enables the Group to have a greater portion of new build properties in its portfolio which typically attract higher valuations, are modern and have been custom-built to meet the needs of the residents they house, helping to achieve higher occupancy levels. The Group benefits from the Investment Manager's significant experience forward funding residential properties and other social infrastructure assets. The Group will only provide forward funding when the property has been pre-let to an Approved Provider and other protections, such as fixed-priced build contracts and deferred developer profits, have been put in place to mitigate construction risk.

Since the Company's IPO, the Group has built a diversified, nationwide portfolio of assets leased to a variety of Approved Providers, serviced by over 100 care providers.

KEY PERFORMANCE INDICATORS

We set out below our key performance indicators for the Company.

KPI AND DEFINITION	PERFORMANCE (AS AT 31 DECEMBER 2024)
1. IFRS & EPRA NTA PER SHARE	
The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to Shareholders and calculated in accordance with EPRA guidelines. Further information is set out in Note 3 of the Unaudited Performance Measures.	99.05 pence per share (31 December 2023: 113.76p)
2. TOTAL ACCOUNTING RETURN	
Total accounting return is measured by reference to the growth in the Group's share price over a period, plus dividends declared for that period.	(8.1)% for the year (31 December 2023: 9.32%). The total accounting return since IPO is 38.3%
3. ADJUSTED EPS	
EPRA earnings adjusted for company specific items to reflect the underlying profitability of the business, calculated on the weighted average number of shares in issue during the year.	5.40 pence per share for the year (31 December 2023: 4.61p)
4. ADJUSTED DIVIDEND COVER	
Dividends paid or declared in respect of the year ended 31 December 2024 totalled 5.46 pence, with dividend cover based on adjusted earnings.	The dividend was 0.99x covered for the year (31 December 2023: 0.85x)
5. LOAN TO VALUE ("LTV")	
The Group's medium to long-term target LTV is 35% to 40% with a maximum of 50%, calculated as balance sheet borrowings divided by gross asset value.	40.0% (31 December 2023: 37.0%)
6. RENT COLLECTION	
Rent collection is one of the Group's principal measures of performance, measured against total contracted rent due. Material rent arrears during the year mainly attributable to one Approved Provider, My Space Housing Solutions.	92.6% collected for the year (31 December 2023: 90.2%)
7. ONGOING CHARGES RATIO	
A measure of all operating costs incurred, calculated as a percentage of average net assets in that year.	1.64% (31 December 2023: 1.63%)
8. EPRA COST RATIO	
Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	29.89% (31 December 2023: 20.60%)
9. EXPOSURE TO LARGEST APPROVED PROVIDER	
The percentage of the Group's gross assets that are leased to the single largest Approved Provider.	30.9% (31 December 2023: 29.5%)

Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings for non-cash items such as the amortisation of finance costs and the movement in lease incentive debtor. Adjusted earnings is considered a better reflection of the measure over which the Board assesses the Group's trading performance and dividend cover.

Adjusted EPS reflects the adjusted earnings defined above attributable to each share.

The Group uses alternative performance measures including the European Public Real Estate ("EPRA") Best Practice Recommendations ("BPR") to supplement its IFRS measures as the Board considers that these measures give users of the financial statements the best understanding of the underlying performance of the Group's property portfolio. The EPRA measures are widely recognised and used by public real estate companies and investors and seek to improve transparency, comparability and relevance of published results in the sector.

The EPRA cost ratio does not exclude the impact of non-operational or exceptional items.

Reconciliations between EPRA measures and the IFRS financial statements can be found in the unaudited performance measures section on pages 153 to 154.

Shibdon Bank, Newcastle

EPRA PERFORMANCE MEASURES

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association ("EPRA"). We provide these measures to aid comparison with other European real estate businesses.

For a full reconciliation of all EPRA performance indicators, please see the Notes to EPRA measures within the supplementary section of the financial statements.

MEASURE AND DEFINITION	PERFORMANCE (AS AT 31 DECEMBER 2024)
1. EPRA EPS	
A measure of EPS designed by EPRA to present underlying earnings from core operating activities.	5.08 pence per share for the year (31 December 2023: 4.92p)
2. EPRA NET REINSTATEMENT VALUE ("NRV") PER SHARE	
An EPRA NAV per share metric which assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	108.86 pence per share (31 December 2023: 124.43p)
3. EPRA NET TANGIBLE ASSETS ("NTA") PER SHARE	
An EPRA NAV per share metric which assumes entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	99.05 pence per share (31 December 2023: 113.76p)
4. EPRA NET DISPOSAL VALUE ("NDV") PER SHARE	
An EPRA NAV per share metric which represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	113.95 pence per share (31 December 2023: 128.02p)
5. EPRA NET INITIAL YIELD ("NIY")	
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	6.44% (31 December 2023: 5.57%)
6. EPRA "TOPPED-UP" NET INITIAL YIELD	
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	6.45% (31 December 2023: 5.72%)
7. EPRA VACANCY RATE	
Estimated Market Rental Value ("ERV") of vacant space divided by ERV of the whole portfolio.	0.32% (31 December 2023: 0.33%)
8. EPRA COST RATIO	
Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	29.89% (31 December 2023: 20.60%)
9. EPRA LTV	
Net debt divided by total property portfolio and other eligible assets.	37.7% (31 December 2023: 34.3%)
10. EPRA LIKE-FOR-LIKE RENTAL GROWTH	
Changes in net rental income for those properties held for the duration of both the current and comparative reporting period.	Rental increase of 4.16% for the year (31 December 2023: 5.98%)
11. EPRA CAPITAL EXPENDITURE	
Amounts spent for the purchase and development of investment properties (including any capitalised transaction costs).	£2.2 million for the year (31 December 2023: £(0.2) million)

Carden Avenue, Brighton

INVESTMENT MANAGER'S REPORT

Adrian D'Enrico
Fund Manager

"WE ARE SEEKING TO REINVIGORATE THE SECTOR AND EVIDENCE ITS ATTRACTIVENESS AS A PRIVATE SECTOR ASSET CLASS."

INTRODUCTION

This is Atrato's first report as Investment Manager of the renamed Social Housing REIT plc ("SOHO"). We would firstly like to thank the Board for selecting Atrato and believing in our strategic vision for the Company. We believe that Specialised Supported Housing ("SSH") is a key component of the UK residential property market, delivering vital homes to help vulnerable residents live independently.

Tom Still and Michael Carey are sector specialists and former colleagues who have been leading Atrato's social housing strategy. I joined them in October 2024 and Michael is working alongside me on SOHO, heading up the asset management and operations initiatives, whilst Tom leads on growing Atrato's wider social housing platform. We are strong advocates for the sector and the dual benefits that it can deliver – robust, income-driven financial returns for investors and a genuine, positive social impact for residents. Delivering improved outcomes for shareholders and residents is our key focus for SOHO and comes at an important time, as we seek to reinvigorate the sector and evidence its attractiveness as a private sector asset class.

A consistent challenge in the SSH sector has been the financial weakness of many of the Approved Provider lessees. This contrasts with the Government backing of the underlying cashflows, paid by local authorities for housing vulnerable adults in appropriately adapted properties. We believe that we can reduce the historical issues around Approved Provider failures that have arisen in the SSH sector, through a combination of enhanced monitoring, taking early proactive action and better cashflow structuring. We have already commenced work on these initiatives for SOHO.

As part of the Company's management transition, we onboarded key members of the team from Triple Point. Their detailed understanding of the portfolio builds on our knowledge and long-standing, trusted relationships with Approved

Providers and developers. At its core, SSH is simply operational residential real estate. It is essential to have a knowledgeable, hands-on operations team who understand the intricacies of the portfolio, can develop and maintain strong relationships with its lessees and ensure the properties are safe and well maintained.

In common with the broader SSH sector, the SOHO portfolio is, of course, not without its challenges. Our primary focus is on delivering a solution to improve resident occupancy and restore our rent collection for the properties currently leased to My Space Housing Solutions ("My Space"). To facilitate that, near-unanimous shareholder approval was received in February 2025 to increase the Company's tenant counterparty exposure limit from 30% to 35%, broadening the range of potential Approved Providers who might take assignments. At the same time, we progressed negotiations and secured an Option Agreement to facilitate the transfer of those properties. More details are provided below.

The immediacy of these actions is representative of our proactive approach to portfolio and asset management, which will characterise the next phase of SOHO under our tenure. We will combine this with an open and transparent approach to disclosure, ensuring shareholders are fully aware of our actions and intentions for the Company as we work to restore investor confidence in the sector and narrow the discount to NAV.

DEMONSTRATING SECTOR VALUE AND RESTORING INVESTOR CONFIDENCE

SSH are homes for vulnerable adults with care and/or support needs, who may have learning difficulties, mental health issues, physical disabilities or a combination of diagnoses. Their homes are, in most cases, specially adapted to ensure their comfort and safety, living independently whilst receiving appropriate assistance. SSH is vital in providing beneficial individual outcomes whilst delivering a significant saving to the public purse. This is a particular benefit in an era of strained public budgets at both local and national levels.

Unfortunately, over the seven years since SOHO's IPO, well-publicised challenges in other listed housing strategies have overshadowed the clear social and financial benefits that SSH can deliver for residents and shareholders.

These other poor performing strategies did not benefit from the same quality of homes and residents with long-term housing needs. SOHO is operating in a different subsector with a very different investment strategy, philosophy and management team. We view a key component of our role, as a new manager, is to communicate effectively to the market why SOHO is different and why our approach differs from the former investment manager. In line with Atrato's investment management philosophy, we intend to operate with far greater transparency with respect to the property portfolio, its financials and the social impact that is being delivered.

Leveraging our real estate, banking, legal and structuring expertise, as Investment Manager we are also seeking to implement structural changes to SOHO's arrangements with its tenants to enhance the security of its cashflows. Together with a more proactive approach to tenant monitoring and resolution, the Investment Manager believes that it will be possible to materially reduce the potential financial impact of situations like Parasol and My Space.

We believe that over time this will help re-establish confidence in the investment case and the operating model and will ultimately narrow SOHO's discount to NAV. Our medium-term ambition is to move to a position of being able to grow the SOHO portfolio, delivering additional, much-needed homes for vulnerable adults.

FINANCIAL REVIEW

We are pleased to present the financial results for the year ended 31 December 2024.

In the year the portfolio generated net rental income of £35.8 million (31 December 2023: £35.2 million). The Group's financial performance is underpinned by increases in annualised rental income from its inflation-linked leases, partially offset by the impact of the variations in the lease terms on the transfer from Parasol to Westmoreland.

The annualised contracted rental income of the Group increased to £42.6 million as at 31 December 2024, compared to £41.0 million at 31 December 2023.

The dividend was 0.99x (2023: 0.85x) covered on an adjusted basis for the year. This measure is based upon adjusted earnings, which removes the impact of non-cash items and the termination payments to the previous investment manager from IFRS profit.

The Adjusted Earnings per Share ("Adjusted EPS") is determined on the same basis, measured on the weighted average number of shares in issue during the year. Adjusted EPS was 5.40 pence per share for the year ended 31 December 2024, compared to 4.61 pence for the year ended 31 December 2023.

The EPRA Net Initial Yield ("NIY") has increased from 5.57% at 31 December 2023 to 6.44% at 31 December 2024 following the rental uplifts which occurred during the year.

The EPRA Earnings per Share ("EPRA EPS") excludes the fair value movement on investment properties and non-recurring termination payments to the previous Investment Manager. It is measured on the weighted average number of shares in issue during the year. EPRA EPS was 5.08 pence for the year ended 31 December 2024, compared to 4.92 pence for the year ended 31 December 2023.

The EPRA Net Tangible Assets ("EPRA NTA") per share at 31 December 2024 was 99.05 pence per share, the same as the IFRS NAV per share, compared to 113.76 pence as at 31 December 2023.

At the year end, the portfolio was valued at £626.4 million on an IFRS basis, compared to £678.4 million at 31 December 2023. There was a like-for-like reduction in portfolio value of £53.0 million. The valuation falls reflect recently achieved pricing for comparable transactions in the wider market, together with a softening of valuation assumptions relating to properties within the portfolio leased to My Space.

DEBT FINANCING

With the volatility around interest rates over the last two years, the Group's debt continues to be a valuable asset. All £263.5 million of the Group's debt is fixed-rate (with a weighted average coupon of 2.74%) with a large proportion of it being long-term (with a weighted average maturity of 8.6 years). The earliest debt maturity will occur in mid-2028, providing strong protection from current elevated interest rates.

A summary of the Group's debt structure is outlined below:

- Short-term debt (<2 years to maturity): £nil
- Medium-term debt (2-5 years to maturity): £41.5 million
- Long-term debt (>5 years to maturity): £222.0 million

In July 2018, the Group secured a £68.5 million long-term, fixed-rate, interest-only facility with MetLife Investment Management secured against a defined portfolio of the Group's properties at an initial loan-to-value of 40%. The facility comprises two tranches of £41.5 million and £27.0 million, with maturities in 2028 and 2033, respectively. Across both tranches the weighted average coupon is 3.039%.

In August 2021, the Group secured a £195.0 million long-term, fixed-rate, interest-only, sustainability-linked facility with Barings and MetLife Investment Management clients secured against a defined portfolio of the Group's properties at an initial loan-to-value of 50%. The facility comprises two tranches of £77.5 million and £117.5 million, with maturities in 2031 and 2036, respectively. Across both tranches the weighted average coupon is 2.634%.

In August 2024, Fitch Ratings re-affirmed the Group's existing long-term Issuer Default Rating of 'A-' and senior secured ratings of 'A' in respect of both debt facilities. Fitch published its first rating on the Company in August 2021 with the same Investment Grade distinctions. Further information on the Group's debt facilities is set out in Note 20 of the financial statements.

EPC UPGRADE PROGRAMME

The Company is actively working to upgrade its portfolio so that all properties have an Energy Performance Certificate ("EPC") rating of C or above, to meet the current legislative deadline of 2030.

71% of the Company's properties already meet this target. Whilst this is materially better than the Social Housing sector average of 43%, the Company is committed to improving the quality of the portfolio and being a sector leader when it comes to reducing emissions. The pilot project has already seen 11 homes upgraded in collaboration with Approved Providers, delivering compliant EPC ratings and already showing reductions in occupational energy consumption.

Atrato are reviewing the outcomes of the improvements delivered within the pilot, applying learnings and best practice to shape and plan the next phase of upgrades. The EPC Upgrade Programme will improve the environmental credentials of SOHO's homes, meet legislative targets and also maintain value for shareholders.

The process will be managed by SOHO's operations team, working closely with Atrato's Head of ESG, Isabelle Smith.

ASSET MANAGEMENT

PARASOL TO WESTMORELAND ASSIGNMENT

In August 2024, the Parasol Homes ("Parasol") leases were assigned to Westmoreland.

As part of the transfer process, all 38 properties (7.9% of the gross asset value as at 31 December 2024) previously leased to Parasol moved to an initial stabilisation period where the Company receives rent on an agreed passthrough basis. This allows Westmoreland to assess the condition of each property and evaluate the individual rent levels to ensure they comply with market testing. We expect this period to last for approximately 12 months from the initial date of transfer and, once a property has been deemed sustainable, it will return to the previous long-term fully repairing and insuring ("FRI") basis.

We are pleased with the progress that Westmoreland has made to date and the level of engagement SOHO's operational team have had in this process. This has enabled an increase in rent collection from the 60% of contracted rent previously received by the Group from Parasol to 72% on a pass-through basis from the date of transfer to the end of February 2025 by Westmoreland. This is in line with expectations and the Group forecasts a further increase in rent collection to between 75% to 85% by the end of August 2025.

MY SPACE HOUSING SOLUTIONS

The principal portfolio challenge facing the Company relates to the My Space Housing Solutions ("My Space") portfolio. My Space has not paid the Company any rent since June 2024, as it continues to face significant financial difficulties, despite the efforts of a new My Space management team. During the investment management transition, Atrato has been in regular dialogue with the new senior team at My Space. While their commitment and determination to resolve the challenges they face is commendable, the Company feels that the assignment of SOHO properties leased to My Space to one or more other Approved Providers is in the best interests of shareholders.

On 31 January 2025, My Space and its appointed insolvency specialist, Begbies Traynor, issued a proposal for a company voluntary arrangement ("CVA") to remedy structural challenges in their business and avoid an administration or liquidation process. The proposal was passed by a creditor vote on 7 March 2025. Prior to the vote, the Investment Manager negotiated an option agreement for the Company, which permits the assignment of SOHO's properties within 12-months of the end of the CVA challenge period.

The Company has 34 properties leased to My Space (6.9% of the portfolio), of which 22 are used for Supported Housing, which commands a lower level of care or support. In My Space's case, that care is provided directly by My Space as opposed to a third-party Care Provider (which would be the case for SSH). As a result, when seeking a wholesale solution for the My Space portfolio, Atrato has sought an alternative lessee (or lessees) with (a) the expertise to provide both housing and support, (b) operate across a broad geographical area (including the Midlands, North West and North East of England) and (c) a track record in honouring the financial commitments.

The Investment Manager has agreed heads of terms with a nationwide Approved Provider about transferring the My Space leases, who have both the capacity and proven ability to operate the My Space properties. The Company is now working with them, My Space and relevant regulatory bodies to facilitate the transfer over the coming months.

We expect rent collection to re-commence and resident occupancy to increase during 2025, which will have a positive valuation impact on this part of the portfolio. Given that My Space has not paid rent since June 2024, there is material upside for the Company in terms of rent collection and, subsequently, dividend cover.

The Investment Manager is working with its advisers to monitor counterparty exposures within the wider SOHO portfolio, whilst also assessing potential structural enhancements to cashflows to help mitigate counterparty exposures. We are also assessing options to reduce exposures over time (potentially through asset sales or lessee buybacks), though only if the outcome is beneficial for both residents and shareholders.

INVESTMENT MANAGER'S REPORT

PROACTIVE ASSET MANAGEMENT

Our approach to asset management is to be rigorous, responsive and proactive, leveraging operational data and a deep understanding of our properties and lessees. By adopting this approach, we will seek to address tenant issues such as those experienced with Parasol and My Space in a more expeditious manner than has been achieved historically.

As part of our appointment, we are undertaking a full review of the portfolio to identify operational issues that may reasonably be expected before they result in any loss of rent or reduction in quality of service. Using a detailed, diligent approach with frequent lessee engagement and property inspections, Atrato will proactively work with lessees to minimise the occurrence of operational risks and, should they arise, remedy any issues swiftly. If required, as Investment Manager we will not hesitate to assign leases to more appropriate Approved Providers or find alternative solutions for properties.

LESSEE UPDATE

It is important to note that whilst the SSH sector has often historically been described as one which offers government-backed income, the reality of the sector and its lease counterparts is more nuanced.

Robust contractual arrangements in the form of long-term fully repairing and insuring ("FRI") leases are in place. However, although the Company's lessees are highly specialist organisations which deliver social good to society's most vulnerable people, they are not institutional grade covenants.

As noted earlier, it is key to understand that SSH comprises operational residential properties and relies on two key elements:

- The property fundamentals of location, structural quality and appropriate functionality with an appropriate rent basis; and
- The operational efficacy of the lessees.

The Group's lessees are instrumental in delivering day-to-day operational performance. The properties are typically specialised or adapted to house people often with a variety of complex needs. The lessees' staff are trained individuals who are passionate about improving people's lives. The properties require both intensive housing management and to be kept to a high standard, requiring specific levels of adaption that is suitable for residents. These requirements are far beyond what one would expect to see in the Private Rental Sector which makes the lessees' expertise vital.

Top 10 Lessees	Number of Properties	Annual Rent Roll	% Rent Roll	% 2024 Rent Collection	% Resident Occupancy
Inclusion	124	£12,667,000	29.8%	100%	89%
Westmoreland	38	£3,972,000	9.3%	100%*	80%
Hilldale	30	£3,597,000	8.5%	100%	90%
Falcon	62	£3,550,000	8.3%	100%	86%
My Space	34	£3,391,000	8.0%	13.0%	59%
Chrysalis	27	£2,345,000	5.5%	100%	90%
BeST	41	£2,063,000	4.8%	100%	88%
Auckland	30	£1,980,000	4.7%	100%	92%
Blue Square	12	£1,632,000	3.8%	100%	90%
Care Housing	11	£1,592,000	3.7%	100%	94%
	409	£36,789,000	86.4%		

* Following the assignment of leases away from Parasol, Westmoreland have moved to a pass-through lease basis during the stabilisation phase. Up to the year end, this has reflected improved rent collection of 72% against the pre-assignment contracted rent level.

The Drive, Batley

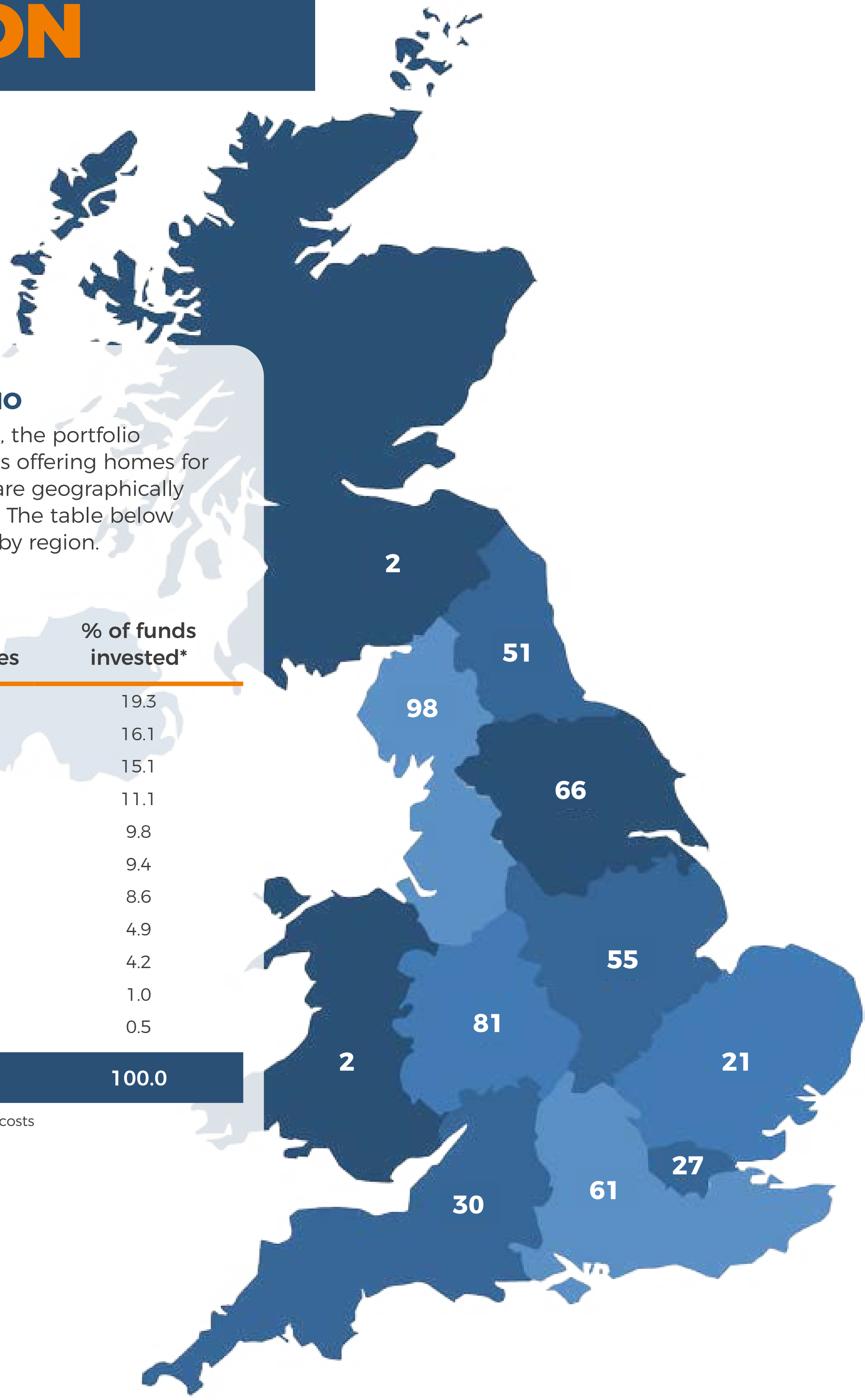
PORTFOLIO BY LOCATION

PROPERTY PORTFOLIO

As at 31 December 2024, the portfolio comprised 494 properties offering homes for 3,424 individuals which are geographically diversified across the UK. The table below shows the portfolio split by region.

Region	Properties	% of funds invested*
North West	98	19.3
West Midlands	81	16.1
Yorkshire	66	15.1
East Midlands	55	11.1
North East	51	9.8
South East	61	9.4
London	27	8.6
South West	30	4.9
East	21	4.2
Scotland	2	1.0
Wales	2	0.5
Total	**494**	**100.0**

* calculated excluding acquisition costs



PORTFOLIO HIGHLIGHTS

391
LEASES[1]
(December 2023: 390)

28
APPROVED PROVIDERS[2]
(December 2023: 27)

100%
RENTAL UPLIFTS[3]
(December 2023: 100%)

100%
FIXED PRICE, RATED DEBT[4]
(December 2023: 2.74% and 9.6 years)

40.0%
LTV[5]
(December 2023: 37.0%)

(8.1)%
TOTAL ACCOUNTING RETURN[6]
(December 2023: 9.3%)

29.89%
EPRA COST RATIO[7]
(December 2023: 20.60%)

(9.25)p
IFRS EARNINGS PER SHARE[8]
(December 2023: 8.81 pence per share)

23.4years
WAULT[9]
(December 2023: 24.3 years)

1. As at 31 December 2024, the portfolio had 391 leases.
2. As at 31 December 2024, the Group had leases with 28 Approved Providers following the addition of Golden Lane Housing and Westmoreland, and the removal of Parasol.
3. Rental uplifts are100% linked to either CPI or RPI, or prevailing government policy if lower (13.5% of leases are capped at 4%, with one additional lease capped at 5%).
4. At 31 December 2024, the weighted average cost of debt was 2.74% which is entirely fixed, and the weighted average term to maturity was 8.6 years. The debt has an investment grade 'A' Fitch rating.
5. As at 31 December 2024, the Group's LTV was 40.0%
6. Total accounting return including dividends to 31 December 2024 was (8.1)% and is based on the prior year's NAV (NTA). Total accounting return since IPO (2017) including dividends to 31 December 2024 was 38.3% (December 2023: 47.7%) and is based on the NAV (NTA) immediately following the Company's IPO.
7. The EPRA cost ratio was 29.89% as at 31 December 2024 and is a ratio of total administrative and operating costs expressed as a percentage of gross rental income.
8. IFRS earnings per share for the year ended 31 December 2024 was (9.25) pence.
9. As at 31 December 2024, the WAULT was 23.4 years (including put/call options and reversionary leases).

VALUATION

Market pricing certainty has, for some time, been hampered by a limited volume of transactional activity. Atrato has been liaising with the Company's third-party valuer, Jones Lang LaSalle, to identify a greater number of completed and potential transactions over this period, with which to support the portfolio's latest valuation. There has been a softening of the portfolio NIY to 6.22% at year-end (reflecting an EPRA NIY of 6.44%), which we believe is more reflective of current market sentiment.

The portfolio value as at 31 December 2024 was £626.4 million compared to £678.4 million at 31 December 2023, representing a decline of 7.7% during the year.

RENTAL INCOME

In total, the Company has 391 leases with a total annualised contracted rental income of £42.6 million as at 31 December 2024. Over the past 12 months, the Company has collected 92.6% of the contracted rental income with no arrears (noting that prior to the assignment of the Parasol properties to Westmoreland, a creditors agreement saw rents on those leases reduced to 60% of initial contracted rent).

Of the £2.9 million contracted rent due, but uncollected, My Space accounts for 100% of this. As noted above, recommencing the collection of rent across these homes is a key focus for Atrato and we are progressing a solution to restore rent collection and improve occupancy in the homes concerned.

WAULT

As at 31 December 2024, the portfolio had a Weighted Average Unexpired Lease Term ("WAULT") of 23.4 years (2023: 24.3 years). This WAULT includes the initial lease term, as well as any reversionary leases and put/call options available to the Group at expiry of the initial term.

Successful SSH schemes require two key components – strong property fundamentals and a counterparty with operational efficacy. When these are in place, residents are referred into properties, generating inflation-linked rents paid by local authorities. As the sector has evolved, this has brought into question the value of longer-term lease arrangements, given that Approved Providers are typically nascent, thinly capitalised counterparties.

The SSH sector operating model is evolving in this regard. Whilst the SOHO portfolio benefits from many long-term FRI lease arrangements of 20 years and above, increasingly new schemes have shorter-term arrangements of 5 to 10 years which is usually coterminous with the Service Level Agreement ("SLA").

Given the strong operational performance of the Group's portfolio and the specialist nature of its Approved Providers, the Investment Manager does not believe additional lease length beyond the SLA term is accretive to value and as part of its appointment, will work with the Group's valuers to determine this position.

INDEXATION

100% of the Group's contracted income is generated under leases which are indexed against either CPI (91.9%) or RPI (8.1%). In 2024, the Company's weighted average annual rental uplift was 4.3%.

The majority of annual inflation uplifts are uncapped contractually. However, we have sought to mitigate the risk to our tenants' financial viability should Government policy change through the adoption of a risk-sharing clause. The clause enables the Boards of the Approved Providers we work with to demonstrate an improved risk management strategy to help address a historical concern of the Regulator of Social Housing.

67% of the Group's leases now include the Company's risk-sharing clause, which was rolled out to re-balance the apportionment of risk between landlords and tenants in the context of a long lease model. Negotiations are ongoing with respect to the remainder of the Group's leases.

As part of this clause, annual rent increases are set at the lower of the relevant inflation index and prevailing Government policy in relation to social housing rent increases, as it applies to SSH. Given that the Government has recently stated that it expects social housing rents to be able to increase annually by CPI +1% for the next ten years, these inflation linkages provide the Group and its investors with the comfort that the rental income will be aligned with inflation.

The clause also aligns annual rental uplifts to April (which is consistent with rent setting across the broader Social Housing sector) and enables our Approved Provider lessees to accurately calculate housing benefit submissions ahead of the annual uplift.

For April 2025 rent reviews, the September 2024 reference CPI figure used as the basis to determine the uplift is 1.7%, whilst the RPI basis is 2.7%.

OUTLOOK

Throughout the onboarding process as SOHO's new investment manager, Atrato has been evaluating the portfolio, strategy and team. We remain convinced that the outlook for SOHO is positive. We have three key, but manageable, challenges in the short to medium-term:

- Drive the Parasol to Westmoreland transfer to a successful conclusion and commence a similar process for the My Space portfolio, improving occupancy and restoring rent collection;
- Proactively manage the whole portfolio, working with current and future Approved Providers to maintain operational performance and deliver positive resident outcomes; and
- Improve transparency for shareholders and enhance both shareholder and market engagement, helping to restore investor confidence in the SSH model by evidencing its attractive financial returns and genuine social impact.

We have already commenced these activities, working with our new team and specialist third-party advisers to deliver on each. By doing so, we will improve the operational performance of the business, begin restoring investor confidence and contribute to narrowing the discount to NAV – all whilst delivering much needed homes for vulnerable people.

We look forward to the challenge and the year ahead.

Adrian D'Enrico
Fund Manager, Social Housing REIT

21 March 2025

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Sorogold, St Helens

SUSTAINABILITY REPORT

MESSAGE FROM THE SUSTAINABILITY & IMPACT COMMITTEE CHAIR

Professor Ian Reeves CBE
Chair of the Sustainability & Impact Committee

DEAR SHAREHOLDER,

I am pleased to present Social Housing REIT plc's Sustainability Report and Task Force on Climate-related Financial Disclosures ("TCFD") aligned climate-related disclosures for FY24.

In this report we provide an overview of our sustainability and climate-related performance and progress over the last year, as well as setting out our priorities moving forward.

Providing better social outcomes for vulnerable people remains at the heart of everything SOHO does. Our focus on sustainability continues to be grounded in our commitment to responsible investment and good stewardship, with the aim of delivering long-term value for our stakeholders. This year, we have continued to deliver on our impact measurement and management ("IMM") framework and the results of this have again been independently assessed by social impact advisory firm, The Good Economy. Full details of our impact goals and real-world outcomes can be found in our annual Impact Report on our website.

The appointment of Atrato Partners Limited ("Atrato") as the new Investment Manager for SOHO provides us with an opportunity to take stock of sustainability performance to date and assess how our approach to sustainability could be enhanced going forwards. Atrato have already identified a number of sustainability priorities for the next year, including conducting a materiality assessment to underpin a refreshed sustainability strategy, expanding on our collection and monitoring of Environmental, Social and Governance ("ESG") data and reviewing our targets to better enable tracking of, and transparent reporting on, our sustainability performance.

In tandem with these strategic review priorities, working with Atrato we are committed to expanding our focus on the environmental performance of our portfolio in addition to our social impact priorities, with particular attention to energy efficiency measures, emission reduction opportunities and addressing climate-related risks.

Immediate enhancements that have already been made, as part of the onboarding of SOHO by Atrato, include the enhanced Greenhouse Gas ("GHG") disclosures we have made in this Sustainability Report, an expansion of our Scope 3 reporting to cover for the first time all relevant Scope 3 emissions categories and making our first full disclosures against the EPRA Sustainability Best Practices Recommendations ("sBPR") framework.

The progress we have achieved to date, and shared within this report, highlights how investing responsibly for long-term value creation remains core to our business model. Looking forward to the year ahead, we are excited to refresh and expand on our sustainability approach to build on the material positive social and environmental impact we have delivered to date.

Professor Ian Reeves CBE
Chair of the Sustainability & Impact Committee

SOHO AND SUSTAINABILITY

The Company believes that by embedding ESG factors within investment and asset management processes, it can not only deliver broader positive outcomes for residents, society and the environment but better manage financial risks and returns over the long-term.

The Company's approach to sustainability is underpinned by the Board's commitment to good stewardship and creating long-term shareholder value. To support the integration of ESG priorities into the execution of the investment strategy, the Board established a dedicated 'Sustainability & Impact Committee' in May 2023.

Both the Company's Board and its new Investment Manager recognise the importance of transparent, decision-useful sustainability reporting to improve accountability to stakeholders. As a result, the Company has committed to publishing an annual Sustainability Report and TCFD disclosures.

OUR IMPACT MEASUREMENT AND MANAGEMENT FRAMEWORK

The Company's impact goal is to increase the provision of Specialised Supported Housing ("SSH") that delivers positive outcomes for vulnerable adults with care and support needs.

Under this overarching impact goal, the Company has established the following set of impact objectives and target outcomes.

Impact objectives – the primary areas under the Company's direct control or influence.

1) Deliver homes which meet social need
2) Fund high-quality sustainable developments
3) Provide quality services and partnerships
4) Increase supply

Target outcomes – the primary outcomes for people and planet; these depend on many factors, one of which may be the Company's activities.

1) Improve wellbeing
2) Deliver value for money

Further information about the Company's impact objectives and real-world outcomes can be found in our annual *Impact Report* on the Company's website (www.socialhousingreit.com).

FY25 PRIORITIES

The Company's Investment Manager, Atrato, is responsible for the day-to-day delivery of the sustainability strategy approved by the Board and associated stakeholder engagement on behalf of the Company.

Atrato has initiated a review of the Company's sustainability strategy to assess how the Company's approach to sustainability could be enhanced going forward. As a result, a number of key sustainability priorities for the next reporting period have been identified, including:

1) Conducting a materiality assessment and UN Sustainable Development Goals ("UN SDG") alignment review to underpin a refreshed sustainability strategy;
2) Evaluating options to improve collection and monitoring of ESG data; and
3) Reviewing and refreshing the Company's ESG targets.

In tandem with these strategic review priorities, the Company is committed to expanding its focus on the environmental performance of its portfolio in addition to its social impact priorities. This includes enhancing sustainability activities related to energy efficiency measures, emission reduction opportunities and addressing climate-related risks.

RESPONSIBLE INVESTMENT AND ESG INTEGRATION

The Company's new Investment Manager, Atrato, has a Responsible Investment Policy developed in line with the Principles of Responsible Investment ("PRI"). This Policy, which has been endorsed by the Board, outlines how ESG factors are incorporated into investment policies, practices and processes.

The responsible investment process aims to avoid, mitigate and manage potential ESG-related asset risks and optimise the ESG potential of investments at all stages of the investment cycle. These aims are achieved through both ESG incorporation and stewardship activities.

FY24 SUSTAINABILITY PERFORMANCE

The Company has used the metrics below to monitor and track sustainability performance during the reporting year. The Company is currently reviewing its sustainability metrics and targets – see FY25 Priorities section above for more details.

Metric	FY24	FY23	FY22
Portfolio EPC ratings	**A-C: 71.2%** A: 0.4% B: 30.8% C: 40.0% D: 21.9% E: 6.7% F: 0.2%	**A-C: 71.04%[1]** A: 0.41% B: 30.80% C: 39.83% D: 21.99% E: 6.81% F: 0.12%	**A-C: 70.87%[2]** A: 0.40% B: 31.15% C: 39.31% D: 22.02% E: 6.95% F: 0.12%
Emissions	See GHG Inventory in TCFD Report below.		

Metric	FY24			FY23			FY22		
Number of properties and location	Region	Assets	Units	Region	Assets	Units	Region	Assets	Units
	East	21	128	East	21	128	East	20	125
	East Midlands	55	412	East Midlands	55	412	East Midlands	58	442
	London	27	191	London	27	191	London	27	192
	North East	51	398	North East	51	400	North East	50	377
	North West	98	715	North West	97	705	North West	99	732
	Scotland	2	29	Scotland	2	29	Scotland	2	29
	South East	61	272	South East	61	272	South East	62	276
	South West	30	171	South West	29	167	South West	29	167
	Wales	2	20	Wales	2	20	Wales	2	20
	West Midlands	81	539	West Midlands	82	545	West Midlands	84	554
	Yorkshire	66	549	Yorkshire	66	548	Yorkshire	64	542
		494	**3,424**		**493**	**3,417**		**497**	**3,456**

Metric	FY24	FY23	FY22
Percentage of residents satisfied with the quality of their home	90%[3]	91%	91%
Quality rating of care providers (Care Quality Commission) % at out-standing / good[4]	85%	84%[5]	85%
SOHO Governance	Governance metrics including in relation to Board composition can be found in Appendix: **EPRA sBPR Index**		

1 During FY23, 42 individual units with EPC ratings left the portfolio (due to the sale of four properties), the majority of which were rated either EPC B or C, while five were rated D and E. In the same period, nine properties received improved EPC ratings, moving from either E to C, D to B, D or C, while other EPCs were re-affirmed. Overall, there has been a very minor increase in the portfolio wide EPC A-C rating (70.87% to 71.04%).

2 As above.

3 Based on 118 responses from residents in the Fund's homes, representing around 3% of residents in occupied units. The survey was conducted between January and February 2025.

4 CQC, The state of health care and adult social care in England 2023/24.

5 Figure restated. Corrected previous statement of 83% in FY23 Report.

NET ZERO UPDATE

The Company is committed to measuring and reducing its carbon emissions across its portfolio. Safe, comfortable and efficient homes provide better outcomes for the environment and for residents.

In January 2024, the Board adopted this near-term science aligned net zero pathway for the Company: *reduce social housing portfolio emissions by 75% per m^2 by 2035 from a baseline year of 2021.*

The 2021 baseline for this target utilised 100% estimated data sources and included only Scope 3: Category 13 emissions (comprising electricity and natural gas only). The Company has engaged the services of a specialist data provider to extract actual metered emissions data from its properties and has, for the first time, calculated a complete GHG inventory covering all relevant Scope 3 emissions categories (see GHG Inventory Table below). In addition, the Company's near-term target was developed before the Science Based Target Initiatives ("SBTi") published its criteria and guidance for the buildings sector in August 2024.

With the new Investment Manager appointment, the Company has initiated a review of its near-term emissions reduction target. Through this review, the Company is evaluating its baseline emissions, given recent enhancements to its emissions data and calculation process, and is assessing options to refresh the target. This will ensure alignment with best practice target setting methodology and facilitate setting ambitious yet achievable decarbonisation targets for the Company.

The Company will provide an update on this target setting review within its interim results reporting.

ENERGY EFFICIENCY

The UK Government has confirmed its ambition to have all rented properties achieving a minimum EPC rating of 'C' by 2030, as part of broad efforts to reduce carbon emissions and improve the energy efficiency of housing across the country.

The current SOHO portfolio of 494 properties has an average EPC of C with the breakdown shown below in Table 6. To place this in context, the average residential EPC rating for the UK is currently D.

For every property that the Company acquires, the Investment Manager targets a minimum EPC rating of C for renovated properties and B for new-build properties, notwithstanding the legal requirement for any privately rented properties to have a minimum rating of E.

During 2023 and 2024, the Company implemented a pilot programme focused on enhancing the energy efficiency of 11 properties (eight directly and twenty two in conjunction with Approved Providers securing grant) with the intention of scoping the cost, technologies and preferred suppliers to implement a portfolio-wide EPC Upgrade Programme (in the first instance focusing on properties which do not currently align with the 2030 minimum EPC target). The primary objectives include aligning with EPC regulation changes, reducing energy costs for tenants and minimising portfolio-wide emissions. The retrofit pilot was successfully completed in the year, implementing a range of upgrades to the 11 properties, as well as improving the building fabric.

The pilot phase was strategically designed to gain a deeper understanding of the practicalities associated with retrofitting Specialised Supported Housing and the Group's ability to access grant funding. The execution of a wider EPC Upgrade Programme will require careful and considerate planning, especially with regard to the impact on residents whilst works are carried out and the ongoing ease of use of all technology that is implemented. The Company's Investment Manager, Atrato, expects to announce the details and costings of the EPC Upgrade Programme during the first half of 2025, setting out a phased approach to complete upgrade works in line with the required EPC standards and timetable.

MODERN SLAVERY STATEMENT

The Company is within the scope of the Modern Slavery Act 2015 and is therefore obliged to make a slavery and human trafficking statement. The Company's Modern Slavery Act statement can be found on the Company's website (www.socialhousingreit.com).

EPRA sBPR REPORT

This year, the Company has made full sustainability disclosures against the European Public Real Estate Association ("EPRA") Sustainability Best Practices Recommendations ("sBPR") framework for the first time. Please see **Appendix: EPRA sBPR Index** for more details.

Beach Road, Littlehampton

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT

The TCFD recommendations provide a framework for organisations to more effectively take account of and disclose climate-related risks and opportunities. The TCFD Report for the Company, included below, contains voluntary climate-related financial disclosures for the reporting period 1 January 2024 – 31 December 2024 in relation to governance, strategy, risk management and metrics and targets[6]. It addresses all four core elements and 11 TCFD Recommended Disclosures as detailed in "Recommendations of the Task Force on Climate-Related Financial Disclosures"[7].

Recommendation	Recommended Disclosures	Page number
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	33
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	33
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	33
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	34
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2˚C or lower scenario.	37
RISK MANAGEMENT Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	38
	b. Describe the organisation's processes for managing climate-related risks.	38
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	38
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	38–39
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	39
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	39

6 The Company is not in scope of the UK's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 or the FCA listing rules TCFD reporting requirements (ESG 2.1) as yet, but the Company has decided to produce this TCFD report ahead of FCA expectations to demonstrate its support for the disclosures.

7 Task Force on Climate-related Financial Disclosures, "Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures" (June 2017).

GOVERNANCE

Describe the Board's oversight of climate-related risks and opportunities.

The Board is responsible for setting the Company's sustainability strategy and overseeing the Company's approach to climate-related risks and opportunities affecting its business.

The Board established its 'Sustainability & Impact Committee' in May 2023, ensuring that sustainability issues, including climate change, are discussed in sufficient detail and given appropriate focus. The Sustainability & Impact Committee, Chaired by Professor Ian Reeves CBE, meets not less than once a year (and more frequently as required) and has responsibility for overseeing the delivery of the Company's Sustainability Strategy, including identification and management of climate-related risks. The Board is primarily informed of climate-related risks and opportunities by the Investment Manager through the meetings of the Sustainability & Impact Committee.

Climate-related risks are assessed as part of the standard due diligence process when acquiring or funding the development of new properties. Identified climate risks are presented in the materials provided to the Investment Committee and, where relevant, will be discussed during committee meetings to assess the potential impact of these risks on the property or development and to determine (a) the time frame over which they might materialise and (b) the potential impacts they may have both operationally and in terms of asset value.

The Board is invested in enhancing the Company's understanding of climate risks and opportunities and, as part of this, has approved budget allocation for ongoing climate-related activities for the next reporting year. This facilitates forward planning and preparation of ESG matters targeted for the next reporting year.

Describe management's role in assessing and managing climate-related risks and opportunities.

The Investment Manager is responsible for the day-to-day delivery of the sustainability strategy as approved on behalf of the Company by the Board, including the assessment, management and reporting of climate-related risks and opportunities.

At the Investment Manager level, assessment and management of climate-related risks and opportunities is shared across the Social Housing Team and the wider business of the Investment Manager.

The Company's new Investment Manager, Atrato, has a dedicated Managing Director, ESG, who is responsible for the operational delivery of climate-related risks and opportunities measures within the Investment Manager's operations and leads the provision of climate risk advice to the Company.

STRATEGY

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Investing in real assets exposes the Company to both physical and transition risks associated with climate change. The Company's properties may require additional work to bolster their resiliency against increasingly extreme weather events or require efficiency upgrades to meet ever-stricter efficiency standards, as the Government seeks to mitigate emissions from the building sector, one of the largest sources of emissions in the UK.

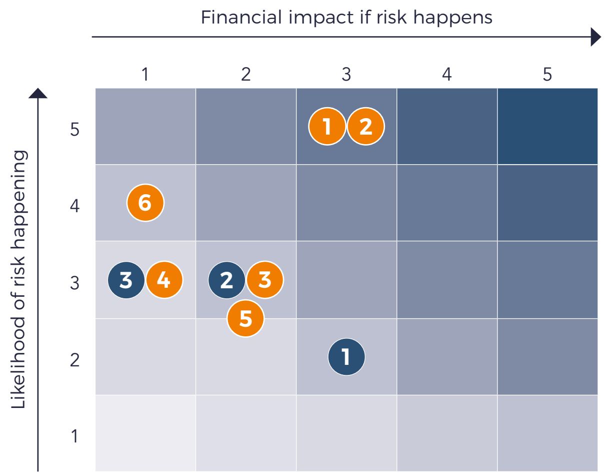
In FY23, the Company engaged an external provider Climate X, to analyse and quantify the physical risk to its assets resulting from climate change. Climate X maintains a realistic digital twin of the earth, utilising data from remote sensing. This digital twin is combined with the latest, high-resolution climate modelling to determine the future risks from a wide range of hazards, under a range of climate scenarios.

Hazards assessed by the Climate X model:

River Flooding	Subsidence	Heat Stress
Coastal Flooding	Landslides	Storm
Surface Flooding	Coastal Erosion	Droughts & Wildfires

Climate X simulates the effect of future chronic and acute weather events at the asset level, to model the vulnerability of the asset itself, which is then used to calculate the asset-specific risk from each individual hazard, and estimate future value-at-risk, expressed as expected losses per annum, as a percentage of the total building reinstatement cost for each property.

The main risks to the fund, which were first disclosed in the Company's FY23 TCFD Report, are shown below.



PHYSICAL

1. Water Stress
2. Increased frequency of heatwaves
3. Increased surface flooding during more frequent storms

TRANSITION

1. Access to materials and skills to amend property specifications
2. Efficiency Regulations
3. Market expectation to report accurate emissions information
4. Cost of capital linked to efficiency performance
5. Carbon pricing in the value chain
6. Changing resident requirements

The Company considered undertaking another assessment of the portfolio through Climate X in FY24 but determined this was unnecessary given there have been no material changes to the portfolio during the reporting period.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

In the Company's FY23 TCFD Report, the impact of climate-related risks and opportunities on the Company's businesses, strategy and financial planning was disclosed. See below risk and opportunity impact summary tables on pages 35 to 37 for details.

Over the next reporting period the Company plans to review its risk mitigation opportunities with the aim to improve the Company's resiliency to these identified risks and opportunities moving forward.

PHYSICAL RISKS

RISK	1. WATER STRESS	2. INCREASED FREQUENCY OF HEATWAVES	3. INCREASED SURFACE FLOODING DURING MORE FREQUENT STORMS
DESCRIPTION	Particularly for properties in the South East of England, an increased frequency of droughts may cause water shortages and also lead to subsidence issues in certain properties.	Given the vulnerable nature of many of the Company's tenants, overheating of the Company's properties is an undesirable risk.	Increasing frequency of storms may lead to an increased frequency of surface flooding, if current drainage options prove to be insufficient.
POTENTIAL FINANCIAL IMPACTS	Increased utility bills for Approved Providers. May require installation of more water-efficient appliances. Subsidence may affect property values and require repair work.	Capital expenditure may be required to add additional insulation and ventilation to properties to prevent overheating. Frequent overheating of buildings can cause wear and tear and potentially lower building values.	Potential damage to properties as a result of flooding, requiring repairs and affecting property value. Properties may need to be upgraded to include more comprehensive drainage systems.
LIKELIHOOD	**Low to Moderate**	**Moderate**	**Moderate**
IMPACT	**Moderate**	**Low to Moderate**	**Low**
TIME HORIZON	Medium term	Short term	Short to medium term

Ebdon Lane, Sunderland

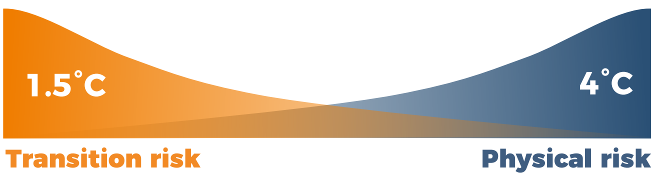
TRANSITION RISKS

RISK	1. ACCESS TO MATERIALS AND SKILLS TO AMEND PROPERTY SPECIFICATIONS	2. EFFICIENCY REGULATIONS	3. MARKET EXPECTATION TO REPORT ACCURATE EMISSIONS INFORMATION	4. COST OF CAPITAL LINKED TO EFFICIENCY PERFORMANCE	5. CARBON PRICING IN THE VALUE CHAIN	6. CHANGING RESIDENT REQUIREMENTS
DESCRIPTION	Properties will require intervention to protect from the impacts of climate change and to reduce energy consumption. Such work requires high quality and knowledgeable contractors. Activity to date has found sourcing and securing quality contractors with access to resources at reasonable prices presents difficulties.	Government may introduce legislation to mandate all social housing properties to a certain level of energy efficiency and this will require upgrade works to be undertaken. The design specification of properties are agreed well ahead of completion. If regulations develop particularly quickly, even newly completed properties may have to be retrofitted.	Currently, the Company follows market practice in reporting estimated emissions for its portfolio due to difficulties in accessing actual energy consumption data for its properties. In future, market expectations may shift to collecting real data. Without this data, the fund may be less competitive in the market-place, as investors are less able to gauge the risk.	Increasing expectations and requirements linked to housing efficiency performance. Running and maintaining high quality and efficient homes is becoming more expensive.	Construction activities and manufacturing of materials is carbon intensive, causing high exposure to any potential future carbon pricing measures.	As part of the energy transition, home requirements may change, and will need to be factored into planning and design standards. Facilities such as secure bicycle parking, electric vehicle charging points and public transport accessibility will become more important.
POTENTIAL FINANCIAL IMPACTS	To implement required works at a point in time required may incur unexpectedly high costs if the ability to secure contractors is limited.	Properties that do not meet standards may become stranded assets, require retrofitting, or face a 'brown tax', with a lower valuation and less liquidity.	Without transparency on necessary asset data there may be an increased difficulty accessing funding, resulting in a higher cost of capital.	Failure to manage this challenge may result in the reduction of value in the property portfolio.	Carbon pricing in the supply chain of materials may be passed on to the developers, increasing property prices.	Including these features in property designs may increase costs.
LIKELIHOOD	High	High	Moderate	Moderate	Moderate	Moderate to High
IMPACT	Moderate	Moderate	Low to Moderate	Low	Low to Moderate	Low
TIME HORIZON	Short term	Medium term	Medium term	Short term	Long term	Short term

OPPORTUNITIES

OPPORTUNITY	1. INCREASED VALUE OF ENERGY EFFICIENT HOMES	2. OPPORTUNITIES FOR ON-SITE RENEWABLE ENERGY GENERATION	3. IMPROVING PROPERTY QUALITY, EFFICIENCY AND VALUE
TYPE	**Markets**	**Energy Source**	**Resource Efficiency**
DESCRIPTION	As efficiency regulations increase, the value of existing efficient homes will increase, with a 'green premium' attached to housing stock with good efficiency credentials.	Although not formally assessed, the geographical spread of the Company's properties means that opportunities are likely to exist for on-site renewable energy generation. Energy generated could be provided to tenants in the first instance, to reduce energy bills, with the excess being sold to the grid by the Company.	In improving the energy efficiency and resiliency of a property it should serve residents more effectively, making them more desirable residencies and increasing willingness for stakeholder engagement. Costs to run should be improved. The property should be more comfortable as it will respond more effectively to temperature and weather changes.
FINANCIAL IMPACT	Increased Net Asset Value for the Company.	Additional income stream for the Company, through selling excess electricity resulting in an increased value of properties.	Increased property value
LIKELIHOOD	**High**	**High**	**High**
IMPACT	**High**	**Low**	**Medium**
TIME HORIZON	Medium term	Long term	Medium to long term

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2˚C or lower scenario.



In FY23, the Company performed partial, qualitative scenario analysis to understand the impact of each of the most significant risks to its portfolio under different climate outcomes.

The most prominent risks to the Company were assessed, and the overall resiliency of the strategy was assessed under the following two scenarios:

- **Net Zero:** in which warming is limited to 1.5˚C by 2050, limiting physical risks but creating high transitional risk due to the introduction of strict climate policies and rapid technology change; and
- **Hot House World:** in which warming reaches 4˚C, as no new climate policies are introduced and technological progress is slow, limiting transitional risks but presenting significant physical risks.

Quantitative scenario analysis was conducted for the portfolio utilising climate modelling from Climate X (described in the Risk Management section).

The findings from the FY23 Climate X assessment showed the Company's assets have a low vulnerability to physical climate risks and the portfolio is more efficient than average.

As noted above, the Company did not repeat the Climate X assessment given there were no material changes to the portfolio during the reporting period. Over the next reporting period the Company plans to conduct further analysis over the outputs from this assessment and will assess the benefit of refreshing this assessment in FY25.

RISK MANAGEMENT

Describe the organisation's processes for identifying and assessing climate-related risks.

Describe the organisation's processes for managing climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Company's approach to risk assessment is as set out in the Our Principal Risks and Uncertainties Section on 57 to 61.

The new Investment Manager, Atrato, has overall responsibility for the Company's risk management and internal controls, with the Audit and Risk Committee reviewing the effectiveness of the Board's risk management processes on its behalf. The Sustainability & Impact Committee is responsible under the delegated authority of the Board for the identification and monitoring of climate-related risks which are incorporated into the risk management process.

The Sustainability & Impact Committee considers both physical and transition climate-related risks, including existing and emerging regulatory requirements related to climate change.

The method used to evaluate the importance of each climate risk that the Company is exposed to is aligned to the Company's general risk management structure. It involves a matrix with a 5-point rating system for both the likelihood and consequence of each risk.

- Likelihood: low, moderate, high; and
- Impact: low, moderate, high.

The alignment to the Company's general risk management structure allows for the climate-related risks to be incorporated into broader risk management and mitigation procedures. These risks are added to the risk register of the strategy, which is reviewed regularly with the Board of the Company. This meeting brings together the SOHO team, sustainability and risk teams, with the resulting risk register being approved by the Board and evaluated and approved by the Risk Committee. The period over which each risk first becomes material is defined as:

- Short-term: 0-2 years;
- Medium-term: 2-5 years; and
- Long-term: over 5 years

These time scales are aligned to the Company's overall risk management framework, considering the nature of the Company's assets and liabilities.

METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

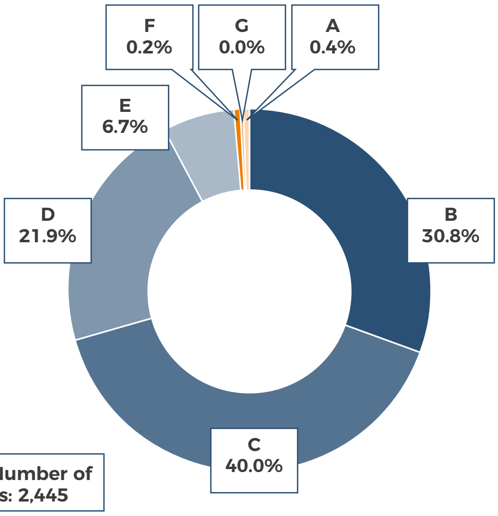
The Company recognises the need for continuous improvement of data collection and monitoring to accurately assess climate risks and opportunities in line with its strategy and risk management process.

The Company measures and monitors the following key climate-related metrics:

1) **EPC ratings:** see Page 29 of the Sustainability Report above for breakdown and YoY comparison;
2) **Energy consumption:** see details of energy consumption data provided below on Page 44; and
3) **GHG Emissions:** see GHG Inventory below on Page 39

EPC RATINGS

The EPC ratings of each property are monitored on an ongoing basis. Currently, 71.2% of the portfolio is rated at C or above. The chart below shows the EPC breakdown of properties as at 31 December 2024.



ENERGY CONSUMPTION DATA

The Company has engaged the data provider, Perse, to enable access to actual energy consumption through direct APIs to every property's meter. This data is utilised in the preparation of the Company's GHG Inventory.

The energy consumption data from Perse not only improves the completeness and accuracy of the Company's GHG Inventory but will also support improved emissions reductions modelling to improve decision making in relation to available decarbonisation levers.

> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

GHG INVENTORY

The Company engaged external consultants, Anthesis, to prepare its GHG Inventory for FY24 in line with the GHG Protocol methodology. The Company does not have any Scope 1 and 2 emissions but has reported all relevant categories of Scope 3 emissions.[8]

The Company's GHG Inventory is disclosed below in Table A (see Appendix for further details of the GHG Inventory methodology).

TABLE A – GHG INVENTORY[9]

EMISSIONS	FY24		FY23
	Location-based tCO_2e	Market-based tCO_2e	Location-based tCO_2e
SCOPE 1 AND 2 TOTAL	N/A	N/A	N/A
1: Purchased Goods and Services	1,216	1,216	Not measured in FY23
6. Business Travel	3	3	Not measured in FY23
13: Downstream Leased Assets ("DLA")	6,044	7,570	4,763[10]
SCOPE 3 TOTAL	7,263	8,789	Not measured in FY23[11]

> Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

CLIMATE-RELATED TARGETS

In January 2024, the Board adopted the following near-term science aligned net zero pathway for the Company: reduce social housing portfolio emissions by 75% per m² by 2035 from a baseline year of 2021. However, this target is currently under review. See Net Zero Update on Page 30 for more details.

The Company and its Investment Manager intend to asset manage the portfolio to ensure all properties have an EPC rating of C or above by 2030 to ensure compliance with current legislative targets and that the homes it provides for residents are environmentally and economically efficient.

8 The Company is an externally managed business and does not have any employees or office space.
9 FERA emissions associated with tenant activities under Scope 3 downstream leased assets are not included in the figures reported.
10 The FY23 emissions data incorporated over 90% of the Group's electricity and gas meters, with the remaining portfolio meters unable to be matched within the reporting period and excluded. In FY24, any gaps in actual data were filled with either Perse or Anthesis estimated data.
11 The emission data calculated in FY23 used property gas and electricity consumption only, and therefore was not a complete Scope 3 figure.

APPENDIX: GHG INVENTORY METHODOLOGY

Emissions were calculated using the Anthesis 'Route Zero' software tool, in alignment with the GHG Protocol.

For lessees, **7%** of emissions were estimated by Anthesis, **22%** were based on estimated consumption of SOHO and **70%** of emissions were calculated based on actual data provided. **75%** of electricity emissions and **76%** of natural gas emissions were calculated based on actual data.

PURCHASED GOODS & SERVICES

The Environmentally Extended Input Output ("EEIO") method, which estimates emissions from expenditure, was used to calculate the emissions from this category. The SOHO team provided spend for the reporting year split by supplier. The suppliers were mapped against the DEFRA Input/Output ("IO") categories, which are based on SIC codes and have an associated emission factor. The DEFRA IO emission factors were multiplied by the spend to calculate the emissions. Exclusions include service charge costs and costs that are recharged to tenant in full.

BUSINESS TRAVEL

This includes the upstream well-to-tank emissions of business travel activities.

DOWNSTREAM LEASED ASSETS

Where actual fuel and electricity consumption data was provided, this was used. For any gap-filling and estimations, methodology notes are included below:

ELECTRICITY ESTIMATES:

Electricity consumption is estimated using actual data from sites with recorded usage. First, electricity consumption and floor area data are collected from sites with available records. This helps calculate electricity intensity, which serves as a benchmark. The benchmark intensity is calculated by dividing electricity consumption by floor area (kWh/m²). This value represents typical electricity usage per square meter. For sites without actual data, the benchmark intensity is multiplied by their floor area to estimate electricity consumption.

NATURAL GAS ESTIMATES:

Natural gas consumption is estimated using actual data from sites with recorded usage. Natural gas consumption and floor area data are collected from sites with available records. This helps calculate electricity intensity, which serves as a benchmark. The benchmark intensity is calculated by dividing natural gas consumption by floor area (kWh/m²). This value represents typical electricity usage per square meter. For sites without actual data, the benchmark intensity is multiplied by their floor area to estimate natural gas consumption.

WASTE ESTIMATES:

Waste consumption is estimated using UK Government data on household waste, utilising the number of households and an average floor area of dwellings. This data was used to create a benchmark, estimating average tonnes of waste per m2. This benchmark was multiplied by property floor area, estimating total waste per lessee.

WATER ESTIMATES:

Water consumption is estimated using GRESB benchmarks. The benchmarks consider cubic meters of water per meter squared of floor area (m³/m²). The benchmarks were multiplied by property floor area, to estimate total water usage per lessee.

APPENDIX: EPRA sBPR INDEX

INTRODUCTION

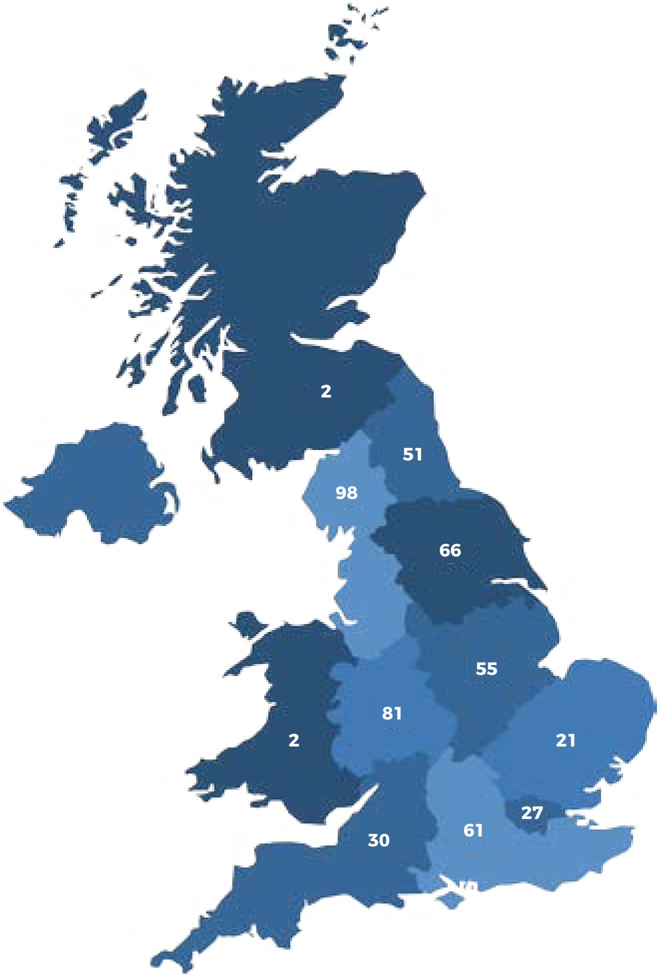
This report contains Social Housing REIT plc's (LSE:SOHO) EPRA Sustainability Performance Measures and Overarching Recommendations ("sBPR") disclosures for the reporting period 1 January 2024 to 31 December 2024.

ABOUT US

SOHO seeks to address the ongoing UK social housing sector demand-supply imbalance, providing sustainable high-quality homes which have been adapted for vulnerable adults with long-term care and support needs including mental health issues, learning disabilities, or physical and sensory impairments or a combination of diagnoses.

OUR PORTFOLIO

SOHO has built a unique portfolio of Supported Housing properties, diversified by geography and leased to a variety of Approved Providers across the UK. The below map shows SOHO's property exposure across the UK (as at 31 December 2024).



Region	No. of Properties
North West	98
West Midlands	81
Yorkshire	66
East Midlands	55
North East	51
South East	61
London	27
South West	30
East	21
Scotland	2
Wales	2
Total	**494**

OVERARCHING RECOMMENDATIONS

The table below highlights how SOHO has made a focused effort to implement the overarching sBPR recommendations into its reporting.

TABLE 1: HOW SOHO HAS ADDRESSED THE OVERARCHING RECOMMENDATIONS

OVERARCHING RECOMMENDATIONS	HOW SOHO INTEGRATE THESE RECOMMENDATIONS
ORGANISATIONAL BOUNDARIES	SOHO's approach to organisational boundaries is based on the Operational Control approach (as defined by the Greenhouse Gas (GHG) Protocol[12]). 100% of SOHO's portfolio is represented within this organisational boundary.
COVERAGE	SOHO are currently able to report electricity for 100% of their portfolio, with 24% estimated; fuels for 100%, with 24% estimated; and water for 100%, with 100% estimated. SOHO aim to improve data coverage and completeness overtime through engagement with data providers and improving data collection processes.
ESTIMATION OF LANDLORD-OBTAINED UTILITY CONSUMPTION	24% of landlord-obtained electricity consumption was estimated; 24% of landlord-obtained natural gas was estimated.
THIRD PARTY ASSURANCE	SOHO has not sought third-party assurance for this reporting year.
BOUNDARIES	All available tenant data is reported. Estimations were used to gap-fill data so that 100% of consumption is reported.
NORMALISATION	MWh/m^2 is used to measure intensity.
SEGMENTAL ANALYSIS	This report covers the property assets within SOHO's portfolio for the financial year 1 January 2024 to 31 December 2024. During the financial year, SOHO engaged in a single segment business, namely, investment in the United Kingdom in social housing assets.
DISCLOSURE ON OWN OFFICES	SOHO is an externally managed real estate investment trust (REIT) and therefore does not have any employees or office premises in operation.
NARRATIVE ON PERFORMANCE	An overview is provided for each topic in this report and further sources are highlighted where required.
LOCATION OF EPRA SUSTAINABILITY PERFORMANCE MEASURES	EPRA Sustainability Performance Measures are included in the tables on the following pages.
REPORTING PERIOD	Financial year 1 January 2024 to 31 December 2024.
MATERIALITY	When considering ESG within the investment process, a materiality approach is taken to ensure focus is given to those issues most likely to negatively impact or positively strengthen the homes SOHO are investing in. SOHO intends to conduct a refreshed materiality assessment as part of the refinement of its Sustainability Strategy in FY25.

12 Organisational boundaries for asset level performance measures as defined by the GHG Protocol include Operational Control, Financial Control and Equity-share.

ENVIRONMENTAL PERFORMANCE

The environmental data on which SOHO's emissions are calculated comes from electricity and natural gas. There is no consumption of district heating and cooling at SOHO sites. Waste and water data were estimated based on GRESB 2020 Benchmarks[13] and Defra waste statistics[14], and are not included in the assessment of GHG emissions.

Below is a breakdown of environmental data and a more in-depth analysis by topic, including Energy, GHG emissions, Waste and Water and Sustainably certified assets.

Any reference to 'N/A' for Scope 1 and 2 emissions is due to the nature of SOHO's organisation. SOHO does not have any offices and therefore does not have any direct emissions. Like-for-like comparisons have also been excluded within this report. For reporting year 1 January 2024 to 31 December 2024, SOHO has calculated a complete GHG inventory, where this has not been completed previously. Changes in methodology also means that like-for-like comparisons will not be an accurate representation of SOHO's emissions.

TABLE 2: SOHO'S ENVIRONMENTAL PERFORMANCE MEASURES

IMPACT AREA	EPRA CODE	ENVIRONMENTAL PERFORMANCE MEASURES	PERFORMANCE
ENERGY	Elec-Abs	Total electricity consumption	9,167 MWh
	Elec-Lfl	Like-for-like total electricity consumption	N/A
	DH&C-Abs	Total district heating and cooling consumption	N/A
	DH&C-Lfl	Like-for-like total district heating and cooling consumption	N/A
	Fuels-Abs	Total fuel consumption	14,655 MWh
	Fuels-Lfl	Like-for-like total fuel consumption	N/A
	Energy-Int	Building energy intensity	0.15 MWh/ m^2
GHG EMISSIONS	GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	N/A
	GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	7,262 tCO_2e*
	GHG-Int	GHG emissions intensity from building energy consumption	See breakdown below
WATER & WASTE	Water-Abs	Total water consumption	325,212 m^3
	Water-Lfl	Like-for-like total water consumption	N/A
	Water-Int	Building water intensity	2.01 m^3/ m^2
	Waste-Abs	Total weight of waste by disposal route	See breakdown below
	Waste-Lfl	Like-for-like total weight of waste by disposal route	See breakdown below
SUSTAINABLY CERTIFIED ASSETS	Cert-Tot	Type and number of sustainably certified assets	See breakdown below

* FERA emissions are included in Scope 3 Category 13: Downstream Leased Assets. Emissions are reported on a location-basis.

13 GRESB (2020) Environmental performance data, Asset Portal guide - GRESB
14 Defra (2023) Local Authority Collected Waste Statistics – Local Authority data UK statistics on waste - GOV.UK (www.gov.uk)

ENERGY AND GHG EMISSIONS

Between 1 January and 31 December 2024, SOHO calculated Scope 3 GHG emissions.

Scope 3 emissions reported include:

1. Category 1: Purchased Goods and Services;
2. Category 6: Business Travel; and
3. Category 13: Downstream Leased Assets.

This is the first complete GHG Inventory SOHO has developed, where previously only emissions relating to category 13: Downstream Leased Assets have been captured.

The tables below provide energy consumption and GHG emissions for SOHO's assets for the reporting year 1 January to 31 December 2024. Emissions and associated consumption data reported below include both a location-based and market-based approach.

In relation to floor area coverage, 100% of floor area of properties is tenant managed and included in Scope 3 downstream leased assets.

TABLE 3: SOHO'S ENERGY IMPACT AREA PERFORMANCE

EPRA CODE	INDICATOR	METRIC	1 JANUARY 2024 TO 31 DECEMBER 2024
ELEC-ABS	Electricity	Total electricity consumption – landlord obtained	N/A
		% of floor coverage	N/A
		Total electricity consumption – tenant obtained	9,167.4 MWh
		% of floor coverage	100%
		% of landlord-obtained electricity from renewable sources	N/A
		% of tenant-obtained electricity from renewable sources	0%
		Total electricity consumption	9,167.4 MWh
		% of floor coverage	100%
		% of electricity estimated	24%
DH&C-ABS	District Heating & Cooling	Total heating & cooling – landlord obtained	N/A
		Total heating & cooling – tenant obtained	N/A
		% of heating & cooling from renewable sources – landlord	N/A
		% of heating & cooling from renewable sources – tenant obtained	N/A
FUELS-ABS	Fuels	Total fuels – landlord obtained	N/A
		% of floor coverage	N/A
		Total fuels – tenant obtained	14,654 MWh
		% of floor coverage	100%
		% of landlord obtained fuels from renewable sources	N/A
		% of tenant obtained from renewable sources	0%
		Total fuel consumption	14,654 MWh
		% of floor coverage	100%
		% of fuels estimated	24%
FUELS-LFL	Fuels	Like-for-like total fuel consumption	N/A
ENERGY-INT	Energy intensity	Energy intensity per m^2	0.15 MWh / m^2

TABLE 4: SOHO'S GHG EMISSIONS IMPACT AREA PERFORMANCE

EPRA CODE	INDICATOR	METRIC	LOCATION-BASED: 1 JANUARY TO 31 DECEMBER 2024	MARKET-BASED*: 1 JANUARY AND 31 DECEMBER 2024
GHG-DIR-ABS	Direct	Scope 1	N/A	N/A
		% of floor area coverage	N/A	N/A
GHG-INDIR-ABS	Indirect	Scope 2	N/A	N/A
		% of floor area coverage	N/A	N/A
		Scope 3	7,262 tCO_2e	8,788 tCO_2e
		% of floor area coverage	100%	100%
GHG-INT	GHG emissions intensity	N/A	N/A	N/A
		Scope 3	0.045 tCO_2e/m^2	0.054 tCO_2e/m^2

* Location-based emissions reported

WATER AND WASTE

The table below provides water and waste consumption values for SOHO's assets for the reporting year 1 January 2024 to 31 December 2024.

Water and waste were estimated this year using GRESB 2020 Benchmarks[1] and Defra waste statistics[2].

TABLE 5: SOHO'S WATER AND WASTE IMPACT AREA PERFORMANCE

EPRA CODE	INDICATOR	METRIC	1 JANUARY 2024 TO 31 DECEMBER 2024
WATER-ABS	Water consumption	Total water consumption	325,212 m^3
		% of floor area coverage	100%
		% of water estimated	100%
WATER-LFL	Water consumption	Like-for-like total water consumption	N/A
WATER-INT	Water Intensity	Building water intensity	2.01 m^3 / m^2
WASTE-ABS	Total waste	Total waste sent to landfill	593 t
		Total waste diverted from landfill	753 t
		% of floor area coverage	100%
		% of waste estimated	100%
WASTE LFL	Proportion of waste	Proportion of waste sent to landfill	N/A
		Proportion of waste diverted from landfill	N/A

SUSTAINABLY CERTIFIED ASSETS

The table below provides a breakdown of the EPC ratings for SOHO's assets for the reporting year: 1 January 2024 – 31 December 2024.

TABLE 6: SOHO'S EPC CERTIFICATIONS BY PERCENTAGE OF THE PORTFOLIO'S TOTAL UNITS

EPRA CODE	METRIC	1 JANUARY 2024 TO 31 DECEMBER 2024
CERT-TOT	**No. of units with an EPC Rating Certification**	**2,445**
	A	0.4%
	B	30.8%
	C	40.0%
	D	21.9%
	E	6.7%
	F	0.2%
	G	0%
	A-C	**71.2%**

SOCIAL PERFORMANCE

Below is an overview of SOHO's social performance data and a more in-depth analysis by topic, including Diversity, Employees[18], Health & Safety and Community Engagement.

TABLE 7: AN OVERVIEW OF SOHO'S SOCIAL PERFORMANCE

EPRA CODE	INDICATOR	METRIC	1 JANUARY 2024 TO 31 DECEMBER 2024
DIVERSITY-EMP	Employee gender diversity	Percentage of male & female employees	N/A: SOHO does not have any employees.
DIVERSITY-PAY	Gender pay ratio	Pay ratio	1.125
EMP-TRAINING	Employee training and development	Average number of hours	N/A: SOHO does not have any employees.
EMP-DEV	Employee performance appraisals	Percentage of total workforce	
EMP-TURNOVER	New hires and turnover	Total number and rate of new employee hires and turnover	
H&S-EMP	Employee health and safety	Injury rate, lost day rate, absentee rate and work-related fatalities	N/A: SOHO does not have any employees.
H&S-ASSET	Asset health and safety assessments	Percentage of assets	0% N/A: All the property leases in the SOHO portfolio are FRI leases. As a result, the asset health and safety assessments fall under the responsibility of the tenants.
H&S-COMP	Asset health and safety compliance	Number of incidents	N/A: As above.
COMTY-ENG	Community engagement, impact assessments, development programmes	Percentage of assets	100% of assets are included in SOHO's annual independent impact assessment which assess impacts of the portfolio of assets including on inhabitants and the local economy.

18 SOHO is an externally managed REIT and does not have any employees. Therefore, the employee related performance measures are not applicable.

TABLE 8: A DETAILED BREAKDOWN OF SOHO'S DIVERSITY SOCIAL PERFORMANCE

EPRA CODE	INDICATOR	UNIT	1 JANUARY 2024 TO 31 DECEMBER 2024
DIVERSITY-EMP	Governance body (SOHO Board of Directors)	% male	60%
		% female	40%
	Directors	% male	N/A: SOHO does not have any employees.
		% female	
	Line managers	% male	
		% female	
	Other employees	% male	
		% female	

TABLE 9: A DETAILED BREAKDOWN OF SOHO'S EMPLOYEES SOCIAL PERFORMANCE

EPRA CODE	INDICATOR	UNIT	1 JANUARY 2024 TO 31 DECEMBER 2024
EMP-TRAINING	Employee training and development	Average hours of training per male employee	N/A: SOHO does not have any employees.
		Average hours of training per female employee	
EMP-DEV	Employee performance appraisals	Percentage of male employees with regular performance review	
		Percentage of female employees with a regular performance review	
EMP-TURNOVER	New hires and turnover: males	Total number of employee hires	
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	
	New hires and turnover: females	Total number of employee hires	
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	

TABLE 10: A DETAILED BREAKDOWN OF SOHO'S HEALTH AND SAFETY SOCIAL PERFORMANCE

EPRA CODE	INDICATOR	UNIT	1 JANUARY 2024 TO 31 DECEMBER 2024
H&S-EMP	Employee health and safety	Rate of employee turnover	N/A: SOHO does not have any employees.
		Injury Rate	
		Lost day rate	
		Absentee rate	
H&S-ASSET	Asset health and safety assessments	Percentage of assets of which H&S impacts are assessed or reviewed	0% N/A: All the property leases in the SOHO portfolio are FRI leases. As a result, the asset health and safety assessments fall under the responsibility of the tenants.
H&S-COMP	Asset health and safety compliance	Number of incidents of non-compliance	N/A: As above.

TABLE 11: A DETAILED BREAKDOWN OF SOHO'S COMMUNITY ENGAGEMENT PERFORMANCE

EPRA CODE	INDICATOR	UNIT	1 JANUARY 2024 TO 31 DECEMBER 2024
COMTY-ENG	Community engagement, impact assessments, development programmes	Percentage of assets	The Company is committed to a relationship-driven partnership approach with the Registered Providers and Care Providers. 100% of assets are included in SOHO's annual independent impact assessment which assess impacts of the portfolio of assets including on inhabitants and the local economy.

Hirstlands Drive, Wakefield

GOVERNANCE PERFORMANCE

Below is an overview of SOHO's governance performance data.

TABLE 12: AN OVERVIEW OF SOHO'S GOVERNANCE

EPRA CODE	PERFORMANCE MEASURES	1 JANUARY 2024 TO 31 DECEMBER 2024
GOV-BOARD	Composition of highest governance body	The Board is composed of five non-executive Directors. Gender diversity: three male and two female Board members. Minority Ethnic diversity: one Board member is from an ethnic minority. Average tenure on governance body: 6 years Number of independent/non-executive board members with competencies relating to environmental and social topics: see pages 68 – 70 for Board member biographies detailing the competencies and experiences of each member.
GOV-SELECT	Nominating and selecting the highest governance body	The recruitment process followed in relation to Board appointments is designed to be independent and transparent. The Board has established and maintains a formal written diversity policy. The Board's objective is to maintain effective decision-making, including the impact of succession planning. The Board recognises the benefits of all types of diversity and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit, and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, ensuring that such appointment will develop and enhance the operation of the Board to best serve the Company's strategy. The Nomination Committee's main function is to lead the process for appointments, ensuring plans are in place for orderly succession to the Board, overseeing the development of a diverse pipeline for succession and any other matters as specified under the Committee's Terms of Reference. This includes ensuring that any appointments and succession plans are based on merit and objective criteria, and, within this context, promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Nomination Committee's Terms of Reference can be found on the Company's website. In line with the Company's succession plan, when undertaking the appointment of a new Director, the Nomination Committee will instruct an external search consultancy to undertake an open and transparent process that includes potential candidates from different social and ethnic backgrounds. The Board, with the support of the Nomination Committee, undertook a formal recruitment process, with the assistance of an independent search consultancy, for the appointment of a new Board member in 2024. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board. The Board was pleased to announce the appointment of Bryan Sherriff as an Independent Non-Executive Director on 24 December 2024, effective from 1 January 2025.
GOV-PROCESS FOR MANAGING CONFLICTS OF INTEREST	Process for managing conflicts of interest	The Company operates a conflicts of interest policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where a Director, or such other persons to whom the Board has determined the policy applies, has an interest which conflicts, or potentially may conflict, with the interests of the Company. Under the policy and the Company's Articles of Association, the Board may authorise potential matters of conflict that may arise, subject to imposing limits or conditions when giving authorisation, if this is appropriate. The Company reserves the right to withhold information relating to or relevant to a conflict matter from the Director concerned and/or to exclude the Director from any Board information, discussions or decisions which may or will relate to that matter of conflict or where the Chair considers that it would be inappropriate for such Director to take part in the discussion or decision or to receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively. The Investment Manager maintains conflicts of interest policies to avoid and manage any conflicts of interest that may arise between themselves and the Company.

STAKEHOLDER ENGAGEMENT

This section describes how the Board engages with its key stakeholders, how it considers their interests and the outcome of the engagement when making its decisions, the likely consequences of any decision in the long-term, and further ensures that it maintains a reputation for high standards of business conduct. The Group is committed to continual stakeholder engagement and implements a cycle of constant engagement at all stages of the Group's investment lifecycle.

SECTION 172(1) STATEMENT

STAKEHOLDER	WHY IS IT IMPORTANT TO ENGAGE?	HOW HAVE THE INVESTMENT MANAGER/ DIRECTORS ENGAGED?
SHAREHOLDERS	Investment from our shareholders plays an important role by providing capital to ensure we can deliver additional housing into the Specialised Supported Housing sector. Through the investment of private capital into an under-funded sector, we can achieve a positive social impact whilst ensuring our shareholders receive a long-term inflation-linked return.	The way in which we engage with our shareholders is set out on page 78 in our Corporate Governance Report.
RESIDENTS	Our strategy is centred on providing Specialised Supported Housing for our Approved Provider lessees to home vulnerable adults. We remain focused on providing homes which offer the vulnerable adult residents greater independence than institutional accommodation.	The Investment Manager monitors resident welfare through engagement with Approved Providers to assess the quality of the service they deliver to residents. The Investment Manager receives quarterly reports from Approved Providers to ensure compliance with health and safety standards. We do not generally engage with residents directly. Instead, day-to-day engagement is done by care providers and, to a lesser extent, Approved Providers.
INVESTMENT MANAGER	The Investment Manager is responsible for executing the Investment Objective within the Investment Policy of the Company.	The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.
APPROVED PROVIDERS	Our relationship with Approved Providers is integral to ensuring rent is paid to the Group and that properties are managed appropriately. The Group's leases with Approved Providers are fully repairing and insuring – meaning that Approved Providers are responsible for management, repair and maintenance, in addition to tenanting the properties.	The Investment Manager looks to maintain strong relationships with Approved Providers, having formal meetings with senior management at least every six months as well as engaging more frequently on an ad hoc basis on a variety of matters. Quarterly operational surveys and biannual compliance surveys are provided to the Investment Manager.

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT WAS THE FEEDBACK OBTAINED AND THE OUTCOME OF THE ENGAGEMENT?
Financial and operational performance. Share price discount to NAV and potential rectification action. The share price, potential share buybacks and the sale of a portfolio. The regulatory environment of the Supported Housing sector. Environmental, social and governance considerations. Understanding the underlying concerns of shareholders that resulted in votes against resolutions 4, 5, 6, 7 and 14, at the Company's 2024 Annual General Meeting. The Company's key service provider appointments, including the Investment Manager and broker arrangements.	The Board and the Investment Manager considered further share buybacks and a portfolio sale to address investor feedback regarding the Company's share price. The Board and the Investment Manager undertook and completed the transfer of the 38 properties previously leased to Parasol to Westmoreland. The Board and Investment Manager consider shareholder concerns when speaking to the Regulator of Social Housing and agreed to keep shareholders updated of any developments. We understand the importance of, and are committed to, working with Approved Providers to address the concerns of the Regulator. Refer to the Investment Manager's Report on pages 16 to 25. The Investment Manager has enhanced environmental, social and governance considerations within its investment process, and within its own business. Refer to the Investment Manager's Report on pages 16 to 25, and the Sustainability Report on pages 28 to 49. The Board and Investment Manager had previously consulted with a number of the Company's shareholders in accordance with Provision 5.2.4 of the AIC Code of Corporate Governance in relation to the pre-emption rights resolution at the previous AGM, following which it was acknowledged that active consideration is required regarding alleviation of the persistent discount to EPRA NTA. Atrato was appointed as the Company's new Investment Manager from 1 January 2025.
We provide oversight of resident welfare by undertaking due diligence on properties before residents move in. We then monitor our Approved Provider lessees' compliance with health and safety standards to ensure that residents are looked after by the Group's counterparties; we request updates on any health and safety issues every quarter.	Resident issues raised as a result of engagement through care providers were addressed with the relevant Approved Provider. Any compliance issues are remedied with any associated works undertaken. The Group's investment decisions are informed by the long-term needs of the Approved Provider lessees and their residents. The Group completed on the pilot phase of its building upgrade program, which has provided more efficient homes for our Approved Providers to house vulnerable adults safely and efficiently.
In addition to all matters related to the execution of the Company's Investment Objective, the Board engaged with the Investment Manager on developments in the market and updates from the Regulator. The change of Investment Manager from Triple Point to Atrato.	The Investment Manager produces reports to the Board every quarter on various governance and operational matters at the Board's request. Capital allocation is also considered with regard to the views of the Board. The Board closely monitored the transition process from Triple Point to Atrato to ensure that it was effective and minimised disruption to the Group's stakeholders. The collaboration between the Board, Triple Point and Atrato ensured that the welfare of the residents of the Group's properties was prioritised, operational performance was preserved and that progress continued with corporate initiatives.
The Investment Manager discussed a number of topics with Approved Providers including that properties are managed in accordance with their leases; financial reporting and governance; and specific property-related issues such as occupancy, health and safety issues, rent levels, management accounts and governance. During the year, the Investment Manager had significant engagement with My Space and Parasol regarding lease transfers to alternative Approved Providers, and further detail is set out on pages 19 to 20.	Refer to the Investment Manager's Report on pages 16 to 25. Further detail on the outcome of the transfer of leases from Parasol to Westmoreland and the planned assignment from My Space is set out on pages 19 to 20.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER	WHY IS IT IMPORTANT TO ENGAGE?	HOW HAVE THE INVESTMENT MANAGER/ DIRECTORS ENGAGED?
CARE PROVIDERS	Our Approved Providers house residents who receive care from care providers. It is important to ensure that these vulnerable residents receive the best possible care. In addition, the care providers often cover the rental cost of void units so we engage with care providers to ensure our Approved Providers are able to pay our rent in the event of empty units. Therefore, whilst we have no contractual relationship with the care providers operating in our portfolio, they play an essential role in the occupancy levels of our properties and strong engagement with the Group ensures the best possible outcomes for our Approved Provider lessees and their residents.	The Investment Manager engages with care providers as part of its due diligence process and regularly meets and engages with our provider representatives when inspecting the Group's portfolio, when reviewing quarterly data and on an ad hoc basis.
LOCAL AUTHORITIES	Local Authorities are responsible for identifying appropriate housing and care for the individuals who live in the Group's properties. New acquisitions are assessed to ensure that they meet the expectations of the relevant Local Authority in order to ensure that referrals are made as efficiently and safely as possible.	When looking at a new acquisition, the Investment Manager engages with, or receives feedback from, various departments within Local Authorities including Commissioners and Housing Benefit officers. The Investment Manager will look to engage with a Local Authority in relation to an existing scheme if required (for example, if a new care provider is needed).
THE REGULATOR	The Regulator of Social Housing ("RSH") regulates Registered Providers of social housing to ensure providers are financially viable and properly governed. It is important to ensure that, as much as possible, the Group reflects observations made by the RSH in its investment structures and its engagement with its lessees.	The Investment Manager is in contact with the RSH in order to understand the key concerns and priorities for the Specialised Supported Housing Sector.
LENDERS	The Group's investments in social housing assets are partly funded by debt. Prudent debt financing is required to achieve the Group's return targets. All secured debt is long-term and so it is important for the Group and the Investment Manager to form a good relationship with our debt provider partners and provide them with all information and commentary required.	The Investment Manager engages with its lenders mainly via the reporting of financial and information covenants under the existing loan agreements on a quarterly basis. In addition, there are regular ad-hoc engagements in relation to general topics relating to the social housing sector as well as specific topics arising from the financial and operational performance of the Group's activities and future opportunities, and any other general matters affecting the relationship between the Group and the lenders.

PRINCIPAL DECISIONS

Principal decisions have been defined as those that have a material impact on the Group and its key stakeholders. In taking these decisions, the Directors considered their duties under section 172 of the Act.

APPOINTMENT OF NEW INVESTMENT MANAGER

During the year, the Board made the decision to undertake an independent review of the investment management arrangements. This was conducted by Akur Limited and included the benchmarking of market precedents and engagement with other market participants. After careful consideration, the Board appointed Atrato Partners Limited as the Company's new Investment Manager with effect from 1 January 2025. Further detail on this can be found in the Chair's Statement on page 5. The Board believes that the appointment of Atrato Partners Limited will result in closer alignment with shareholders' interests and material cost savings for the Company in the long term, underpinned by a management fee calculated on the basis of market capitalisation and also a renewed focus, with a strategy to improve the quality and security of rental income via proactive asset management.

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT WAS THE FEEDBACK OBTAINED AND THE OUTCOME OF THE ENGAGEMENT?
The Investment Manager engages with care providers on: the specific care and support requirements of residents including health and safety compliance (refer to Investment Manager's Report on pages 16 to 25); property management by Approved Providers; financial and operational capacity for new schemes; occupancy levels; and financial performance.	The Investment Manager will not consider deals where care providers do not meet the care or governance standards expected or where care providers are unable to demonstrate the financial strength to meet their obligations under a service level agreement. Following engagement, scopes of work was agreed with care providers to ensure properties facilitate the specific care needs of residents. Whilst done at the relevant Local Authorities' discretion, care providers have been changed where expectations around the standard of care were not met or where engagement identified care providers in financial difficulties.
The aim of the engagement is, as much as possible, to ensure that the properties acquired by the Group are consistent with the requirements of the relevant Local Authority. Where necessary, Local Authorities will be engaged with directly post-acquisition of a property to access ongoing demand levels and any changes in commissioning strategy.	The Investment Manager will listen to feedback from local authorities and, where possible, will work with Approved Providers to improve and upgrade properties to ensure that they meet ongoing commissioning requirements. The Group completed the pilot phase of its building efficiency upgrade programme across 11 properties. Refer to the Investment Manager's Report on pages 18 to 19 for more detail.
Discussions with the RSH are focused on ensuring the market evolves in line with its observations, and Registered Providers can best focus on addressing the RSH's observations.	The Investment Manager continues to work with the Boards of its lessees to understand how best we can help them meet the standards of the RSH. Refer to the Investment Manager's Report on pages 16 to 25 for more detail.
The Group engaged on the following topics: financial and information covenant reporting and active asset management activities undertaken by the Group e.g. any other asset management activity that requires lenders' consent.	The Group is fully compliant with its debt covenants. The Investment Manager's pro-active engagement with the Group's lenders is welcomed by them and, to date, no concerns in relation to the performance of its loans have been raised by the lenders. The Board continues to monitor compliance with debt covenants and keeps liquidity under constant review to make certain the Group has sufficient headroom in its debt facilities. In August 2024, Fitch Ratings Limited reaffirmed the Group's existing Investment Grade, long-term Issuer Default Rating (IDR) of 'A-' and a senior secured rating of 'A' for the Group's existing loan notes.

LEASE TRANSFER

The Board decided to transfer all 38 properties previously leased to Parasol Homes Limited (representing 8.1% of the Group's Gross Asset Value and 9.70% of the rent roll as at 31 December 2023) to Westmoreland Housing Association. The transfer completed on the 19 August 2024.

DIVIDEND TARGET TO REMAIN FLAT

In May 2024, the Board decided to keep the target dividend flat for the year ended 31 December 2024.

The Board believed that the decision was in the best interests of the Company's shareholders, in order to preserve dividend cover for the current financial year, whilst the Investment Manager concluded the transfer of the 38 properties from Parasol to Westmoreland and were intending to proceed with the proposed sale of a portfolio of properties, which ultimately did not take place. Further detail can be found in the Investment Manager's Report on pages 16 to 25.

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTOR

During the year, the Company undertook a formal recruitment process led by the Nomination Committee, with the support of an independent search consultancy, for the appointment of a new Board member. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board. The Board were pleased to announce the appointment of Bryan Sherriff as an Independent Non-Executive Director with effect from 1 January 2025.

It was also announced that, as part of the Succession Plan for the Board, Ian Reeves will step down from his role as an Independent Non-Executive Director at the 2025 Annual General Meeting following an orderly handover.

Cowpen Road, Blyth

RISK MANAGEMENT

The Board recognises that effective risk management is key to the Group's success and that a proactive approach is critical to ensuring the sustainable growth and resilience of the Group.

By way of background, the Group focuses on a single sub-sector of the UK real estate market with the aim of delivering an attractive, growing and secure income for shareholders. The Company has a specific investment policy, as outlined on pages 8 to 9, which is adhered to and for which the Board has overall responsibility. In February 2025, the Company received shareholder approval to amend its investment policy, which will now allow for a maximum exposure of 35% to any one Approved Provider, where it was previously restricted to 30%.

Following the appointment of Atrato as the Company's new investment manager effective from 1 January 2025, a comprehensive review of the current risk framework was undertaken resulting in various enhancements to the existing risk management methodology being made. The changes to approach are more reflective of the individual nature of the risks being considered and will enable the Board to view the risks on a more granular level.

In the Group's 2024 Interim Report, it was reported that the principal risks and uncertainties remained unchanged during the period. Following the comprehensive review undertaken by the Investment Manager, two existing principal risks have now been determined to be non-material and two risks that were previously deemed non-material have now been re-classified as principal risks. More information on the changes can be found in the Principal Risks and Uncertainties table on pages 57 to 61.

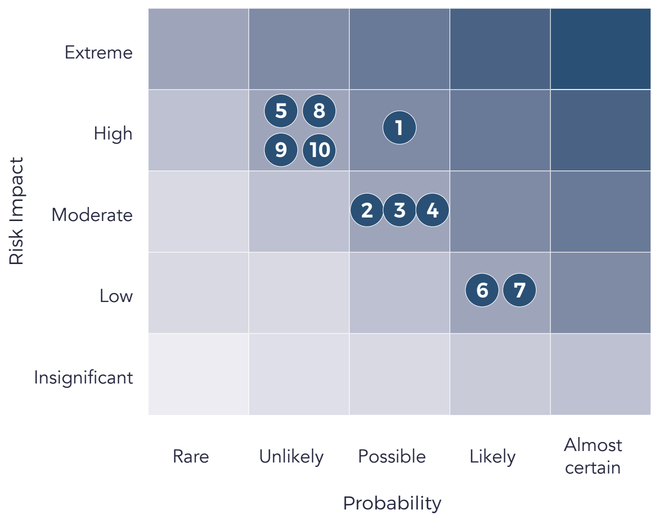
As an externally managed investment company, the Company outsources key services to the Investment Manager and other service providers and relies on their systems and controls. The Board undertakes a formal review of the risks identified by the Investment Manager, with the assistance of the audit committee, twice a year to assess and challenge the effectiveness of the Company's risk management and internal control systems. The Board regularly reviews the control reports of the key service providers and the external auditors note any deficiencies in internal controls and processes that have been identified during the course of the audit. A description of the key internal controls of the Group can be found on page 81.

The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk, and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of certain risks against the likelihood of occurrence. The Board regularly reviews the risk register to ensure gradings and mitigating actions remain appropriate.

The Group's risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant and emerging risks the Group faces and continues to evolve to reflect changes in the Group's business and operating environment. The process can therefore only provide reasonable, and not absolute, assurance. It does however ensure a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

During the year, the Board has not identified or been advised of any failings or weaknesses in the Group's risk management and internal control systems.

RISK HEAT MATRIX



RISK

1. Approved Provider Default
2. Non-payment of Voids by Care Providers
3. Potential Impact of Climate Change
4. Volatile Trading Market
5. Regulatory Changes Impacting the Sector
6. Non-compliance with Regulatory Standards
7. Property Valuation Volatility
8. Poor or Inadequate Housing Management
9. Debt Covenant Breaches
10. Health and Safety Non-compliance

PRINCIPAL RISKS AND UNCERTAINTIES

The table below sets out what we, the Board, believe to be the principal risks and uncertainties facing the Group. The table does not cover all of the risks that the Group may face. Additional risks and uncertainties not presently known to management or deemed to be less material at the date of this report may also have an adverse effect on the Group.

Having conducted a full review of the Group's existing risk register, the Investment Manager has reclassified the previous Principal Risks of "Inflation" and "Reliance on Investment Manager" as non-material and also assessed that "Volatile trading market" and "Health and safety standards" should be captured within the Group's Principal Risks.

RISK CATEGORY: CREDIT

Approved Provider Default.

Risk Description	Mitigating Actions	Likelihood	Potential Impact
The default of one or more of the Group's Approved Provider lessees could impact the rental income received from the relevant assets. If the Approved Provider cannot remedy the default, the Group may have to forfeit, assign or regear the relevant lease. This could lead to a temporary or sustained reduction in rental income.	Under the terms of the Group's Investment Policy and restrictions, no more than 35% of the Group's Gross Asset Value may be exposed to one lessee, with no two lessees representing more than 55% of exposure. This restriction is in place to mitigate against the risk of significant rent loss in the event of an Approved Provider default. When a lessee defaults or when the Group believes it likely that a lessee would default on its lease obligations, the Group will look to move the impacted properties to another Approved Provider. The intention is to ensure both ongoing provision of services to residents, and, as much as possible, to preserve the income stream associated with the relevant properties. The Group is currently looking to restructure the agreements it has with Approved Providers to improve the security of the income it receives from them, subject to agreement with the relevant Approved Provider and the consideration of the Regulator of Social Housing.	Possible	High

RISK CATEGORY: CREDIT

Non-payment of Voids by Care Providers.

Risk Description	Mitigating Actions	Likelihood
The Group has leases with Approved Providers under which they are responsible for paying rent irrespective of resident occupancy of the underlying property. The Approved Provider will usually mitigate this risk by entering into a Service Level Agreement ("SLA") with a Care Provider under which the Care Provider agrees to cover the rent in relation to any voids in the property (the Approved Provider being unable to claim Housing Benefit for void units). If a Care Provider enters financial difficulty and is unable to meet the terms of the SLA (specifically paying the contracted voids cover to an Approved Provider), this could have a negative impact on the financial performance of the Approved Provider, impinging its ability to pay the Group its rent. This risk is compounded if there is low occupancy or persistent voids in a property.	Whilst the Group does not have a contractual relationship with Care Providers, it monitors and engages with them to ensure, as far as reasonably possible, that they are financially viable and operationally robust. Should a Care Provider experience a deterioration in financial performance, the Group works with a wide range of alternative Care Providers who would be invited to step in to provide care services and maintain void cover arrangements. Resident occupancy is also closely monitored by the Group, who proactively engages with Approved Providers and Care Providers to optimise occupancy throughout the portfolio.	Possible **Potential Impact** Moderate

RISK CATEGORY: ESG

Potential Impact of Climate Change.

Risk Description	Mitigating Actions	Likelihood
Changing weather patterns under projected climate change scenarios could physically damage the properties owned by the Group, reducing their value and impacting their operational viability. New regulatory standards (e.g. minimum EPC standards) could require capital expenditure works to improve efficiency or result in a reduction in the economic utility of properties and their valuations if not undertaken. The impact of the most prominent climate-related risks to the portfolio is assessed in detail in the Group's Task Force on Climate-related Financial Disclosures ("TCFD") reporting.	The Investment Manager's sustainability team has been working with the operations team to assess the risk that climate change poses to the Group's properties and ensuring that protections (or plans to implement protections) are put in place for any properties that are deemed to be at high risk of material adverse impacts resulting from climate change. The key transition risks to the portfolio have been identified and qualitatively assessed. Physical risks to the portfolio have been assessed using analytical software and the outputs of this analysis are demonstrated in the Group's TCFD reporting. The Group believes that its reporting on climate change meets regulatory requirements and is reviewed on an ongoing basis to ensure continued compliance, in conjunction with the Sustainability Committee. The Group is actively working to upgrade the portfolio so that all properties meet the current legislative target (for England and Wales) of having an EPC rating of C or above from 2030.	Possible **Potential Impact** Moderate

RISK CATEGORY: ECONOMIC

Volatile Trading Market.

Risk Description	Mitigating Actions	Likelihood
A volatile trading market for the Group's shares could inhibit its growth. Shareholders may also not be able to realise their shares at a price above or the same as they paid for the shares or at all. The Company's shares have continued to be traded at a discount to Net Tangible Assets ("NTA"), which is limiting the ability to raise additional capital and thereby grow the fund.	The Investment Manager and the Board review share performance on an ongoing basis. Normal share market pricing management may be utilised by the Board, including share buybacks, enhanced reporting and investor engagement, within the regulated framework.	Possible **Potential Impact** Moderate

RISK CATEGORY: LEGAL, TAX & REGULATORY

Regulatory Changes Impacting the Sector.

Risk Description	Mitigating Actions	Likelihood
Risk of changes to the social housing regulatory regime and changes to government policy in relation to social housing and Housing Benefit policy.	It is important that the Group works with its Approved Provider lessees to ensure that they engage with the Regulator and respond proactively to any changes in regulation or policy. It is also important that the Group understands what, if any, impact it will have on their organisation and the properties leased to them. The Group frequently engages directly with the Regulator of Social Housing ("RSH") to gain insight into any proposed regulatory changes reasonably expected to be implemented. The social housing regulatory regime, in which most of the Group's lessees operate, provides a high degree of accountability and transparency. The Group has rolled out a risk sharing clause with 67% of its Approved Providers to re-balance the apportionment of risk between the parties, including mitigating changes in central government policy relating to Specialised Supported Housing ("SSH").	Unlikely **Potential Impact** High

RISK CATEGORY: LEGAL, TAX & REGULATORY

Non-compliance with Regulatory Standards.

Risk Description	Mitigating Actions	Likelihood
Should an Approved Provider lessee of the Group be deemed non-compliant by the RSH, in particular in relation to financial viability, depending on the further actions of the RSH it is possible that there may be a negative impact on the market value of the relevant leased properties. Depending on the exposure of the Group to such an Approved Provider(s), this in turn may have a material adverse effect on the Group's NTA unless the matter is resolved through an improvement in the relevant Approved Provider's rating or the transfer of leases to an alternative Approved Provider.	The Investment Manager has established relationships with the Approved Providers with whom it works. The Approved Providers keep the Investment Manager informed of developments surrounding regulatory notices and interactions with the RSH. Where Approved Providers have been deemed non-compliant, the Group seeks to work with them to help address issues identified by the RSH. The Group has leases in place with 10 Registered Providers that have been deemed non-compliant by the Regulator and is working with them in the manner set out above.	Likely **Potential Impact** Low

RISK CATEGORY: ECONOMIC

Property Valuation Volatility.

Risk Description	Mitigating Actions	Likelihood
Property valuations are inherently subjective and uncertain, particularly when market liquidity and transactional evidence is low. Market conditions, which may impact the creditworthiness of Approved Provider lessees, may adversely affect valuations. The Group portfolio is valued on a Market Value (investment) basis, which takes into account the expected rental income to be received under the leases in the future. This valuation methodology provides a significantly higher valuation than the vacant possession value of a property. In the event of an unremedied default of an Approved Provider lessee, the value of those assets in the portfolio may be negatively affected. Any changes could affect the Group's NTA and the share price of the Group.	All of the Group's property assets are independently valued on a quarterly basis by a third-party valuer (currently Jones Lang LaSalle, a specialist property valuation firm), who are provided with regular updates on portfolio activity by the Investment Manager. The valuer inspects a proportion of the portfolio annually to ensure that desktop based valuations are appropriate. The Investment Manager and Audit Committee meet with the external valuers to discuss the basis of their valuations and their quality control processes. Default risk of Approved Providers is mitigated in accordance with the "Approved Provider default" principal risk explanation provided above. In order to protect against loss in value, the Investment Manager's operational team seeks routinely to visit each property in the portfolio, and works closely with the Group's lessees to ensure, to the extent reasonably possible, their ongoing financial strength viability and that governance procedures remain robust through the duration of the relevant lease.	Likely **Potential Impact** Low

RISK CATEGORY: SERVICE PROVIDER

Poor or Inadequate Housing Management.

Risk Description	Mitigating Actions	Likelihood
Approved Providers and care providers may face a number of operational challenges (e.g. rising costs and labour shortages) heightening the risk of poor or inadequate housing management of the Group's properties. Poor property management services being provided to the individuals in the Group's properties could undermine the benefits of SSH and cause reputational damage to the Group which could negatively impact the Group's performance and/or the price of the Company's shares. Individual cases of poor housing management at a property or Approved Provider portfolio level may also reduce the referral demand for those properties, impacting the ability of Approved Provider to pay rent to the Group.	The Investment Manager undertakes proactive property inspections to review the physical condition of the Group's properties, ensure lessee compliance with lease obligations and to observe the quality of services being provided to the Group's residents. In addition, there is frequent engagement with the Group's Approved Providers and Care Providers, along with quarterly operational and compliance surveys, to collect data on the performance of the Group's lessees and properties. A key part of the Investment Manager's due diligence pre-acquisition is to ensure sure that – whilst the Group has no contractual relationship with them and no responsible for the care they provide –the Care Provider attached to a project is capable to deliver the quality of care provided and financially robust to meet its void obligations. Most Care Providers are regulated by the Care Quality Commission ("CQC"), offering an additional layer of regulation and oversight. The Investment Manager operations team monitor the Care Providers on an ongoing basis. The team engage with Care Provider staff when carrying out property inspections, hold regular calls with Care Providers to which the Group has the largest exposure, monitor CQC ratings for those Care Providers relevant to the Group and track these ratings using an internal CQC register that the team updates on an ongoing basis.	Unlikely **Potential Impact** High

RISK CATEGORY: FINANCIAL PERFORMANCE

Debt Covenant Breaches.

Risk Description	Mitigating Actions	Likelihood
The borrowings the Group currently has and which the Group uses in the future may contain loan to value and interest covenants ratios, alongside sustainability targets. If property valuations and rental income significantly decrease, such covenants could be breached. The impact of such an event could result in an increase in borrowing costs, a requirement for additional cash or property collateral, payment of a fee to the lender, a sale of an asset or assets and / or the forfeiture of an asset(s) to a lender. Any of the above could result in a material decrease to the Group's NTA.	The Investment Manager monitors relevant debt covenants on an ongoing basis. In the unlikely event that an event of default occurs under these covenants, the Group has a remedy period during which it can potentially cure the covenant breach by either injecting cash collateral or utilising unencumbered property assets in order to restore covenant compliance.	Unlikely **Potential Impact** High

RISK CATEGORY: LEGAL, TAX & REGULATORY

Health and Safety Non-compliance.

Risk Description	Mitigating Actions	Likelihood
Any non-compliance with Health and Safety ("H&S") standards by an Approved Provider(s) of the Group could lead to H&S issues for the individuals living in the properties owned by the Group. This could have serious moral, reputational and financial implications for the Group.	The contractual responsibility for making sure that the property is compliant sits with the Approved Provider and not the Group. However, to mitigate the risk of non-compliance, the Investment Manager's operations team assess Health and Safety compliance by conducting property visits, issuing bi-annual compliance surveys sent to all Approved Providers and by engaging regularly with the senior teams at each Approved Provider. Compliance of the Group's properties is also tracked on the internal REIT Risk Register, managed by the Investment Manager's operations team.	Unlikely **Potential Impact** High

GOING CONCERN AND VIABILITY

GOING CONCERN

The Strategic Report and financial statements have set out the current financial position of the Group and Parent Company. The Board has regularly reviewed the position of the Group and its ability to continue as a going concern in Board meetings throughout the year.

The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 92.6% of rental income due and payable for the year ended 31 December 2024 has been collected, rent arrears are predominantly attributable to one Approved Provider, My Space Housing Solutions.

The Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due. During the year, Fitch Ratings Limited assigned the Company an investment Long-Term Issuer Default Rating of 'A-' with a stable outlook.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, for a period of at least 12 months from the date of signing these financial statements. The Directors have considered the expected obligations of the Group during this period and are confident that all will be met.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and Metlife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table on the right.
The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants is remote.

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover Ratio (ACR)		
ACR Covenant	x2.00	x1.67
ACR 31 December 2024	x2.49	x2.01
Blended Net initial yield	6.59%	6.23%
Headroom (yield movement)	149bps	119bps
Interest Cover Ratio (ICR)		
ICR Covenant	1.75x	1.75x
ICR 31 December 2024	4.78x	4.28x
Headroom (rental income movement)	63%	56%

Under the downside model the forecasts have been stressed to show the effect of some Care Providers ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases. Under the downside model the Group will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements. As a result of the above, the Directors are of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

The Group has no short term refinancing risk given the 8.6 year weighted average maturity of its debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

Based on the forecasts prepared and the intentions of the Parent Company, the Directors consider that the Group will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements and therefore have prepared these financial statements on the going concern basis.

VIABILITY STATEMENT

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant 'Going Concern' provisions. The Board has considered the nature of the Group's assets and liabilities, and associated cash flows, and has determined that five years, up to 31 December 2029, is the maximum timescale over which the performance of the Group can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider the viability.

In determining this timescale, the Board has considered the following:

- The length of the service level agreements between Approved Providers and care providers.
- The future growth of its investment portfolio of properties is achieved through long-term, inflation linked, fully repairing and insuring leases.
- The Group's property portfolio has a WAULT of 23.4 years to expiry, representing a long-term income stream for the period under consideration.
- The Group's Loan Notes have a weighted average term of 8.6 years.

In assessing the Company's viability, the Board has carried out a robust assessment of the emerging risks and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five-year period.

The Directors' assessment has been made with reference to the principal risks and uncertainties and emerging risks summarised on pages 57 to 61 and how they could impact the prospects of the Group and Company both individually and in aggregate. The following risks in particular have been addressed in the assessment:

1. Approved Provider default (taking into account that two of the Group's lessees have built up arrears since 2022)
2. Non-payment of voids cover by Care Providers.

The business model was subject to a sensitivity analysis, which involved flexing a number of key assumptions underlying the forecasts. The sensitivities performed were designed to provide the Directors with an understanding of the Group's performance in the event of a severe but plausible downturn scenario, taking full account of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks outlined below:

- Rental income: It is assumed that some care providers do not meet their void payment obligations, and this causes Approved Providers to default under some of the Group's leases; and rental receipts from two Approved Providers are lower than the previously contracted rent levels.
- Property valuations: It is assumed that where there are void units Approved Providers will default on their leases, and those units will be valued significantly below their vacant possession value. We believe this represents a severe reduction in value.
- Inflation: No inflation uplift on rental income but costs increase in line with inflation.

The outcome in the downturn scenario on the Group's covenant testing is that there are no breaches, and the Group can maintain a covenant headroom on existing facilities.

In the downturn scenario mitigating actions to reduce variable costs would be required to enable the Group to meet its future liabilities.

The remaining principal risks and uncertainties, whilst having an impact on the Group's business, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the five-year period.

Based on the results of this analysis, the Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due during the period up to 31 December 2029.

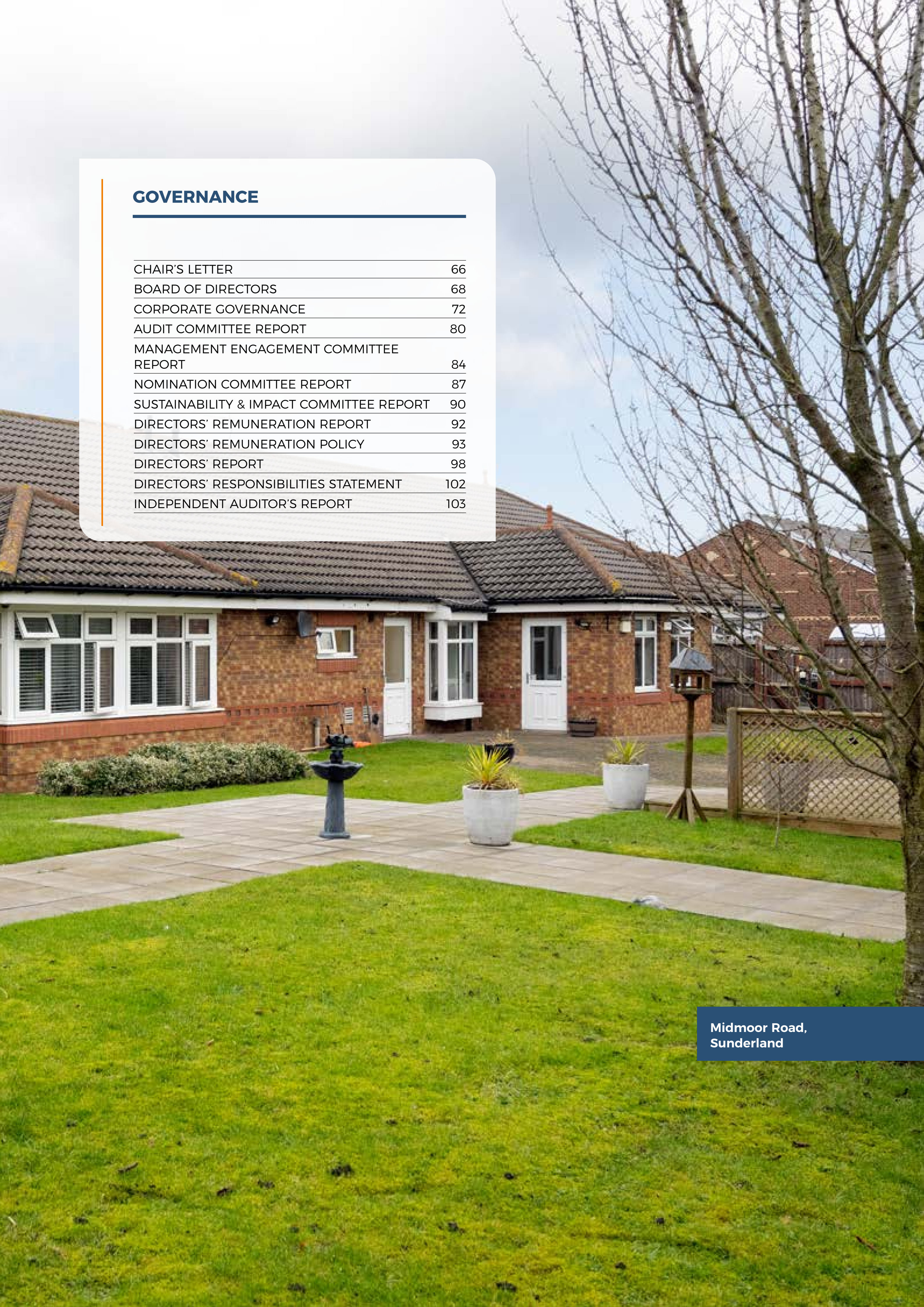
BOARD APPROVAL OF THE STRATEGIC REPORT

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:

Chris Phillips
Chair

21 March 2025

GOVERNANCE



Midmoor Road, Sunderland

CHAIR'S LETTER

Chris Phillips
Chair

DEAR SHAREHOLDER,

I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2024. The Board recognises that a strong governance framework contributes to the development and implementation of our strategy. It ensures that we, as the Board, are provided with the right support, to ensure that we can effectively oversee progress in the delivery of our strategy and challenge the Investment Manager where appropriate.

STAKEHOLDER ENGAGEMENT

The Board's engagement with the Group's key stakeholders has been of primary focus during the period. Our investors are a vital consideration for Board decisions.

At our quarterly Board meetings, stakeholder views are considered through Board reports and updates provided by the Investment Manager, particularly their engagement and ongoing relationship with the Approved Providers. The Investment Manager assures us that it maintains regular dialogue to encourage Approved Providers to continually improve their operations.

A full overview of our engagement with all stakeholders is set out in more detail on pages 50 to 54. We will continue to engage openly with all our stakeholders to understand their views on governance and performance.

INDEPENDENT REVIEW OF INVESTMENT MANAGEMENT ARRANGEMENTS

In May 2024, the Board decided to conduct an independent review of the investment management arrangements for the Company, inviting proposals from both the previous incumbent Investment Manager and alternative investment managers. After careful consideration, the Board appointed Atrato Partners Limited ('Atrato'), who were appointed with effect from 1 January 2025, succeeding Triple Point Investment Management LLP.

Atrato were selected due to their deep sector knowledge, investment trust experience and strategic vision for the Company and the broader supported housing sector. The investment management fees will be calculated on the basis of market capitalisation ensuring alignment with the interests of shareholders. The new fee basis also delivers a significant annual saving to the Company.

BOARD & GOVERNANCE CHANGES

This year progressing the succession plan for the Board has been a key focus for the Nomination Committee. Tracey Fletcher-Ray was appointed as Senior Independent Director, with effect from 7 March 2024. In taking this decision, the Board considered that Tracey's skills and experience were suitable for the role, it allowed the Company to meet the FCA's diversity target in relation to senior positions and provided an orderly succession of the position prior to Ian Reeves's retirement at the 2025 Annual General Meeting.

In January 2025, we welcomed Bryan Sherriff as a Non-Executive Director, following a succession process led by the Nomination Committee, facilitated by an independent search consultancy. This appointment has further ensured that the Board is equipped to carry out its duties effectively and Bryan brings a wealth of property investment, development and management experience across commercial and residential sectors. This is part of the Succession Plan for the Board to ensure a gradual refresh of Board members.

ANNUAL GENERAL MEETING

We are planning to hold our AGM on 19 May 2025, and I look forward to the opportunity this provides to meet with shareholders in person. The detailed arrangements will be communicated in our Notice of AGM published in March 2025.

COMPLIANCE STATEMENT

Throughout the year ended 31 December 2024, the Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (February 2019) ('2019 AIC Code'). The 2019 AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (July 2018) (the 'UK Code'), as well as setting out additional Provisions on issues that are of specific relevance to Social Housing REIT plc.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principles of the 2019 AIC Code. The 2019 AIC Code is available on the AIC website (www.theaic.co.uk).

LOOKING AHEAD TO 2025

The Board remains focused on developing our high standards of governance, to support the strategic direction of the Group and deliver sustainable long-term value for shareholders and all stakeholders. The Board is aware that the 2019 AIC Code will be replaced by the AIC Corporate Governance Code (August 2024) ('2024 AIC Code'), which applies to accounting periods beginning on or after 1 January 2025, and will be implementing any changes necessary to ensure the Company fully complies with the 2024 AIC Code.

In this section of the Annual Report, we report on our compliance with the principles of corporate governance and highlight the key governance events which have taken place in the year.

Chris Phillips
Chair

21 March 2025

BOARD OF DIRECTORS

CHRIS PHILLIPS (74)
Chair

APPOINTED	17 July 2017
COMMITTEE MEMBERSHIPS	Management Engagement Committee Nomination Committee (Chair)
PRINCIPAL EXTERNAL APPOINTMENTS	Shetland Space Centre (Director)
SKILLS AND EXPERIENCE	Chris has extensive experience of real estate and listed companies. He was Managing Director of PB Securities, the UK subsidiary of Prudential Bache, for three years, before joining Lombard Odier as the Managing Director of its London broking business. He then joined Colliers International and after heading its residential consultancy business, became the first Managing Director of Colliers Capital UK Limited (Colliers commercial real estate property fund). Having served on the Board of Places for People for 14 years, ten of them as Chair, Chris stood down from the role in January 2021.

TRACEY FLETCHER-RAY (60)
Senior Independent Director

APPOINTED	1 November 2018
COMMITTEE MEMBERSHIPS	Audit Committee Management Engagement Committee (Chair) Sustainability & Impact Committee Nomination Committee
PRINCIPAL EXTERNAL APPOINTMENTS	Witherslack Group (CEO)
SKILLS AND EXPERIENCE	Tracey has considerable expertise as an executive and non-executive director in the care and support sectors. Tracey previously was a non-executive director to L&Q Group, one of the UK's largest Housing Associations and developers, and was Managing Director of Caring Homes, a leading provider of care homes for the elderly. She is currently CEO of Witherslack Group, a leading provider of specialist education and care for young people with special educational needs. She spent nearly two years as Managing Director at Berendsen PLC developing the company's healthcare business, strategy and growth and eight years at Bupa UK, holding Managing Director roles in the Care Home business which involved contracting with and providing services on behalf of local authorities and the NHS, and Bupa Health Clinics.

IAN REEVES CBE (80)

Non-executive Director

APPOINTED	17 July 2017
COMMITTEE MEMBERSHIPS	Audit Committee Sustainability & Impact Committee (Chair)
PRINCIPAL EXTERNAL APPOINTMENTS	Synaps International Limited (co-founder and CEO) The Estates and Infrastructure Exchange (Chair) Geiger Counter Limited (Chair) Xinuos Inc (Director)
SKILLS AND EXPERIENCE	Ian is co-founder and CEO of Synaps International Limited. He is visiting Professor of Infrastructure Investment and Construction at The Alliance Manchester Business School, Chair of The Estates and Infrastructure Exchange (EIX) and a Director of Xinous Inc. He was appointed as a Non-executive Director and Chair of Geiger Counter Limited on 13 December 2021 and 9 March 2022 respectively. Ian was founder and Chair of High-Point Rendel Group, a pioneering management and engineering consultancy company with a global network of offices. He has been president and CEO of Cleveland Bridge, Chairman of McGee Group, Chairman of Constructing Excellence and Chair of the London regional council of the CBI. Ian was awarded his CBE in 2003 for services to business and charity.

PETER COWARD (68)

Non-executive Director

APPOINTED	17 July 2017
COMMITTEE MEMBERSHIPS	Audit Committee (Chair) Management Engagement Committee
PRINCIPAL EXTERNAL APPOINTMENTS	True Potential Wealth Management LLP (Member) ChanceryGate Limited (Director) Matfen Hall Ltd (Director) The Heat Vault Company Ltd (Director)
SKILLS AND EXPERIENCE	Peter is a chartered accountant with international commercial and corporate finance experience. He has over 25 years' experience as a Senior Tax Partner at PricewaterhouseCoopers specialising in property, and has worked with a wide range of firms to develop a knowledge and understanding of tax regimes worldwide and of organisational and project structuring to optimise the tax position.

BOARD OF DIRECTORS

CECILY DAVIS (58)
Non-executive Director

APPOINTED	23 May 2023
COMMITTEE MEMBERSHIPS	Sustainability & Impact Committee Nomination Committee
PRINCIPAL EXTERNAL APPOINTMENTS	Fieldfisher LLP (Partner) 3M Homes Ltd (Director) Southwark Charities (Trustee)
SKILLS AND EXPERIENCE	Cecily has significant legal, construction and infrastructure experience gained from 30 years as a construction and projects lawyer. Cecily is currently an Engineering, Procurement and Construction Partner at Fieldfisher and Co-Head of Fieldfisher's Africa Group. She was formerly a Partner at DLA Piper until 2014 and Shadbolt & Co until 2005. Cecily has an extensive understanding of the residential and affordable housing sectors, having acted as non-executive director of both L&Q Group and Places for People. Cecily sits on the board of 3M Homes Ltd and is a Trustee of the Southwark Charities, which provides almshouses to local residents. Cecily is a registered solicitor under the Solicitors Regulation Authority, and holds a degree in construction law and arbitration from King's College London and a master's degree in commercial law from the University of Exeter.

BRYAN SHERRIFF (54)
Non-executive Director

APPOINTED	1 January 2025
COMMITTEE MEMBERSHIPS	Audit Committee Sustainability & Impact Committee
PRINCIPAL EXTERNAL APPOINTMENTS	ColdSpring (Managing Director) Places for People Scotland (Director) Hillcrest Enterprise (Director) George Heriot's Trust (Governor)
SKILLS AND EXPERIENCE	Bryan has over 30 years' property investment, development and management experience throughout the UK across commercial and residential sectors. Bryan is currently Managing Director of ColdSpring, which provides consultancy services to institutional investors and private client family offices. He is also a Governor of George Heriot's Trust, a Non-Executive Director of Hillcrest Enterprise and a Non-Executive Director of Places for People Scotland. Prior to his current roles, Bryan has held a number of development, investment and asset management positions, including as Development Director and latterly Head of Asset Management at Halladale plc. In 2015, Bryan established Drum Income Plus REIT plc and was its Fund Manager up to November 2021. Bryan is a Chartered Surveyor and is a fellow of the Royal Institution of Chartered Surveyors (FRICS).

CHANGES TO THE BOARD

- On 7 March 2024, Tracey Fletcher-Ray succeeded Ian Reeves as Senior Independent Director.
- Bryan Sherriff joined the Board as an Independent Non-Executive Director with effect from 1 January 2025.
- Ian Reeves will step down from the Board with effect from the conclusion of the 2025 AGM to be held on 19 May 2025 and, therefore, will not be standing for re-election.

Great North Road, Doncaster

GOVERNANCE FRAMEWORK

Our Governance Framework demonstrates how we operate, representing the key governance arrangements through which the Board and its Committees can implement the highest standards of challenge and oversight. It is not an exhaustive list of every organisation or service provider that the Group has engaged with on governance matters.

SHAREHOLDERS

THE BOARD

The Board is collectively responsible for promoting the long-term sustainable success of the Group and generating value for shareholders, whilst also remaining cognisant of its duties to its other stakeholders and its contribution to wider society. It does this by providing effective oversight over the management and conduct of the Group's business, strategy and development. The Board determines the Company's Investment Objective and Investment Policy, and reviews investment activity and performance.

The Board maintains effective oversight of the Investment Manager and compliance with the principles and provisions of the AIC Code. The Board ensures the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of systems in place. Further, the Board is responsible for approval of any changes to the capital, corporate and/or management structure of the Group.

The Board delegates day-to-day management of the business to the Investment Manager, save for such matters reserved for the Board's approval. To assist in carrying out its responsibilities, the Board has established four Committees. The Terms of Reference for each of the Board's Committees are available to view on the Company's website https://socialhousingreit.com/corporate-governance/.

AUDIT COMMITTEE

Assists the Board with reviewing the effectiveness of the Group's financial reporting, maintaining an appropriate relationship with the Group's auditor and monitoring the internal control systems. See pages 80 to 83 for more detail.

MANAGEMENT ENGAGEMENT COMMITTEE

Assists the Board with reviewing the contractual relationships of the Investment Manager and third-party service providers, and holding their performance to account. See pages 84 to 86 for more detail.

NOMINATION COMMITTEE

Assists the Board by leading the recruitment process for candidates for the Board, ensuring plans are in place for orderly succession to the board and overseeing the development of a diverse pipeline. See pages 87 to 89 for more detail.

SUSTAINABILITY & IMPACT COMMITTEE

Assists the Board with overseeing the development and implementation of the Group's ESG strategy. See pages 90 to 91 for more detail.

ALTERNATIVE INVESTMENT FUND MANAGER

Atrato Partners Limited is the Company's current AIFM, and as such is responsible for portfolio management and risk management of the Group pursuant to AIFMD. The Investment Manager also provides certain property management services to the Group, including the preparation of budgets for the properties and co-ordinating with third parties providing services to the Group. During the year ended 31 December 2024, Triple Point Investment Management LLP was the Company's AIFM and Investment Manager. Further information on the AIFM arrangements can be found on pages 85 to 86.

COMPANY SECRETARIAT

Hanway Advisory Limited is the Company Secretary. They ensure that Board procedures are complied with, advise the Board on all governance matters, and support the Chair, the Board and its Committees to function effectively.

KEY MATTERS RESERVED FOR THE BOARD

Board membership and powers including the appointment and removal of Board members.	Establishing the overall control framework, Stock Exchange related matters, including the approval of communications to the Stock Exchange, and communications with shareholders, other than announcements of a routine nature.
Key commercial matters, including review of all investments and divestments, and any significant changes in lease terms.	The appointment, termination, and regular assessment of the performance of the principal advisers, including the AIFM, the Investment Manager, Tax Advisers, Legal Advisers, Financial Adviser, Administrator and Company Secretary, Broker, Registrar, PR Adviser and Auditor.
The approval of the budget and financial models.	The approval of annual and half yearly financial reports, to 31 December and 30 June respectively, dividends, accounting policies and significant changes in accounting practices.
The approval of the net asset value calculation prepared by the Administrator on a quarterly basis at 31 March, 30 June, 30 September and 31 December each year.	The review of the adequacy of corporate governance procedures.
The review of significant estimates and judgements of the Group.	The review of the risk inventory and the effectiveness of internal controls.
Approval of changes to the Group's capital structure, dividend policy, treasury policy, borrowing facilities and any banking relationships, hedging strategy, cash management, the Group's business strategy, acquisitions and disposals and capital expenditure.	Approval of any related party transactions subject to further regulatory requirements.
Oversight of the Group's operations ensuring compliance with statutory and regulatory obligations.	

BOARD MEETINGS

The Board meets formally at least on a quarterly basis with additional meetings as they may decide are required from time to time. During 2024, the Board held four scheduled meetings and twelve extra Board meetings.

The Chair sets the agenda for the meetings and ensures, in conjunction with the Company Secretary, prior to each meeting, that the Directors receive accurate, clear and timely information to help them to discharge their duties. For this purpose, the Board receives periodic reports from the Investment Manager detailing the performance of the Group. The meetings focus on a review of portfolio performance and associated matters such as pipeline, gearing, asset management, occupancy, marketing/investor relations, peer group comparisons, regulatory matters, environmental and social matters and the impact of macro-economic issues.

BOARD MEMBERSHIP AND MEETING ATTENDANCE

Individual Directors' attendance during the year to 31 December 2024 is set out below:

Director	Board Meetings Attended/ Requiring Attendance	General Meetings Attended/ Requiring Attendance
Chris Phillips (Chair)	16/16	1/1
Ian Reeves CBE	14/16	1/1
Peter Coward	16/16	1/1
Cecily Davis	13/16	1/1
Tracey Fletcher-Ray	13/16	1/1
Bryan Sherriff*	N/A	N/A

*Bryan Sherriff was appointed to the Board with effect from 1 January 2025.

COMPOSITION

The Group has a non-executive Chair and currently five other non-executive Directors, including a Senior Independent Director, all of whom are considered independent on and since their appointment. All Directors are independent of the Investment Manager.

Chris Phillips is the Chair of the Board. The Chair leads the Board and is responsible for the Board's overall effectiveness in directing the Group. The Chair, in conjunction with the Company Secretary, ensures that accurate, timely and clear information is circulated to the Directors, and sufficient time is given in meetings to review all agenda items thoroughly. The Chair also ensures that any issues arising in the Board meetings are followed up on in a timely manner. He promotes a culture of openness and constructive debate to ensure the effective contribution of all Directors, facilitating a co-operative environment between the Investment Manager and the Directors, and encourages Directors to critically examine information and reports, to constructively challenge the Investment Manager and to hold third-party service providers to account, where appropriate.

The Chair has put mechanisms in place to facilitate effective communication between shareholders and the Board, to ensure that their views, issues and concerns are considered as part of the decision-making process.

Tracey Fletcher-Ray succeeded Ian Reeves as Senior Independent Director with effect from 7 March 2024. If required, the Senior Independent Director will act as a sounding board and intermediary for the other Directors and shareholders. In addition to the Chair, the Senior Independent Director engages with shareholders or Directors if they have any issues or concerns, or if there are any unresolved matters that shareholders or other Directors believe should be brought to her attention.

The Directors hold or have held senior positions in industry and commerce and contribute a wide range of skills, experience and objective perspective to the Board. The Board Committees allow the Directors to focus in greater detail and depth on key matters such as strategy, governance, internal controls and risk management.

TIME COMMITMENT

Non-executive Directors are expected to devote sufficient time to carry out their duties effectively. The expectation regarding time commitment is set out in the Directors' letters of appointment. Directors are required to disclose any potential external role and ensure it is approved by the Board prior to the acceptance of any such appointment. During the year ended 31 December 2024, the Board was satisfied that all Directors were and remain able to commit sufficient time to discharge their responsibilities effectively having given due consideration to their other significant commitments.

There were no external appointments accepted during the year which were considered to be significant for the relevant directors, taking into account the expected time commitment and nature of these roles.

The Directors' other principal commitments are listed on pages 68 to 70.

BOARD COMMITTEES

The Board has established a Management Engagement Committee, an Audit Committee, a Nomination Committee and a Sustainability & Impact Committee. Given that the Company has no executive Directors or other employees, the Board does not consider it necessary to establish a separate remuneration committee. The functions and activities of each of the Committees are described in their respective reports.

KEY DECISIONS OF THE BOARD IN 2024

During the year, the Board considered the following matters:

- the Group's longer-term strategy in terms of current initiatives and the change of Investment Manager was also considered in this context;
- analysis of the Group's current and future lease terms;
- proposed changes to the Company's Investment Policy including an increase in the maximum exposure limit to any one Approved Provider;
- the appointment of Bryan Sherriff to the Board as a Non-Executive Director, following a recommendation from the Nomination Committee;
- the appointment of Atrato Partners Limited as the Company's new Investment Manager;
- the appointment of Tracey Fletcher-Ray as Senior Independent Director;
- the transfer of 38 properties previously leased to Parasol Homes Limited to Westmoreland Housing Association;
- a decision to keep the target dividend flat in order to preserve dividend cover for the year ended 31 December 2024, whilst the Investment Manager concluded the transfer of 38 properties from Parasol to Westmoreland and proceeded with the proposed sale of a portfolio of properties;
- the valuation methodology of the Group's portfolio;
- the risks and related mitigations of the Group's lease counterparties;
- engagement with two of the Group's Approved Providers regarding material rental arrears;
- the standards of Approved Providers that had received a non-compliant rating by the Regulator of Social Housing and updates on regulatory developments within the social housing sector;
- the declaration of the Company's interim dividends;
- the Group's due diligence processes including over property inspections;
- the risk profile of the Group and its counterparties;
- the budget for general, administrative and marketing expenses;
- the Group's compliance with the REIT regime;
- the Group's financial public relations and communication strategy;
- the Group's property insurance;
- the key performance indicators by which the Group measures success;
- review of quarterly management accounts;
- half yearly broker report regarding the Company's share price rating, performance and trading and NAV performance;
- analysis of the Company's shareholder register;
- the recommendations of its Nomination Committee with respect to Board diversity, succession planning and the current balance of skills, experience and knowledge;
- the recommendations of its Sustainability & Impact Committee; and
- a quarterly review of corporate governance compliance, Group subsidiary activity and depositary report.

PERFORMANCE EVALUATION

The Directors recognise that the evaluation process is a significant opportunity to review the practices and performance of the Board, its Committees, and the individual Directors and to implement actions to improve the Board's effectiveness and contribute to the Group's success.

For the year ended 31 December 2024, the Board conducted a performance evaluation by completing a questionnaire to appraise and gather useful learnings on the functioning of the Board, its Committees and the individual Directors.

The results of the questionnaire demonstrated that there is consensus that the performance and functioning of the Board remains effective. The Board considers that each of the Directors worked well together and that it demonstrates an appropriate mix of knowledge and skills to effectively discharge its duties.

There were however areas of improvement that were identified. The key challenges and recommendations of next steps are outlined below.

Challenges	Recommendations of next steps
Service Providers	The Board is encouraged to complete a comprehensive review of its service providers, to provide feedback to service providers to ensure high quality service for an appropriate cost.
Professional Development	Due to the upcoming change of directors, as members of the Board reach the end of their nine-year tenure, it is recommended that there be enhanced focus on training and development to continuously improve knowledge, skills and sector knowledge.
Remuneration	It is recommended that a review of the Directors' remuneration be undertaken to ensure that it remains at a level to retain high calibre Directors with the skills and experience necessary for the role, and to reflect time commitment.
Flow of Information	Following the change of the Investment Manager, the Board is encouraged to complete a review of the timing of information flow to ensure that there is sufficient time on key matters for discussion and scrutiny.

The Board evaluation for the year ended 31 December 2023 was undertaken externally using an independent third-party evaluator, Advanced Boardroom Excellence. The Board has made good progress on the recommendations arising from the evaluation, as set out below:

Challenges	Recommendations of next steps	Action taken to address challenges
To continue to ensure awareness of stakeholder views	The Board to continue to consider the views of wider stakeholders across the political, social and financial communities, and to leverage the appointment of the Company's Financial PR Adviser, Brunswick, to ensure stakeholder engagement is a regular focus at Board meetings.	There is regular engagement between the Board and shareholders in particular following the Interim and Annual results, and feedback from the Investment Manager on stakeholder views including Registered Providers and Care Providers through the quarterly meetings. This feedback is then taken into account in Board decisions. Further detail of the principal decisions undertaken in the year and how the Board has taken into account the impact on the Company's stakeholders when making these decisions are set out in the Section 172(1) Statement on pages 52 to 54.
To review succession planning of Non-executive Director roles	The Board and the Nomination Committee to implement a phased succession plan, beginning in 2024, to reflect the tenures of the Senior Independent Director, Audit Chair and Chair, and to ensure enough time is provided for a comprehensive recruitment process, induction and handover period.	A comprehensive Succession Plan has been agreed for a phased change of Directors, with sufficient time to handover of key roles in particular the role of the Audit Chair and the Chair. This has commenced with the appointment of Bryan Sherriff.
To continue to improve oversight of Risk	The Board to receive enhanced risk reporting to support with the prioritisation of key risks and facilitate more in-depth discussion when reviewing risks.	During the year, there has been additional time dedicated for the Board to review and discuss the risks and their prioritisation; an enhanced risk methodology; and risk appetite statement.
To ensure the culture of openness and constructive debate within the Board is maintained	The Board to consider processes for regular Non-executive Director-only sessions, to ensure that Board members benefit from the opportunity to discuss issues independently of the Investment Manager.	There have been a number of meetings throughout the year which are Board-only sessions, and there are typically Board-only discussions at the end or beginning of the meeting for discussions to take place without the Investment Manager present.
To review and refresh key governance documents	The Board to regularly review the terms of reference of its four Committees, to ensure that these are refreshed and reflective of current best practice.	There has been a detailed review of the Company's terms of reference during the year to bring this in line with market standard terms, which were presented to the Board and approved in March 2024. The Board regularly reviews the Committee terms of reference to ensure that they continue to be fit for purpose.

A full performance evaluation of the Board, its Committees and the individual Directors will continue to be conducted annually. The Chair will regularly consider an externally facilitated Board evaluation.

CONFLICTS OF INTEREST

The Group operates a conflicts of interest policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where a Director, or such other persons to whom the Board has determined the policy applies, has an interest which conflicts, or potentially may conflict, with the interests of the Group. Under the policy and the Company's Articles of Association, the Board may authorise potential matters of conflict that may arise, subject to imposing limits or conditions when giving authorisation, if this is appropriate.

The Group reserves the right to withhold information relating to or relevant to a conflict matter from the Director concerned and/or to exclude the Director from any Board information, discussions or decisions which may or will relate to that matter of conflict or where the Chair considers that it would be inappropriate for such Director to take part in the discussion or decision or to receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively.

The Investment Manager maintains conflicts of interest policies to avoid and manage any conflicts of interest that may arise between themselves and the Group. The Investment Manager has established a clear and robust framework to ensure that any conflicts of interest are appropriately governed that includes:

- potential conflicts where the Investment Manager is a party to the transaction;
- the Investment Manager's obligation to, as far as reasonably practical, exclusively offer all new investment opportunities to the Group; and
- other conflict matters regarding the value, quality or other terms relating to the acquisition or disposal of assets from or to the Group or provision of debt funding by the Investment Manager to the Group.

PROFESSIONAL DEVELOPMENT

The Directors received a comprehensive induction programme on joining the Board that covered the Group's investment activities, the role and responsibilities of a Director and guidance on corporate governance and applicable regulatory and legislative landscape. The Directors' training and development was assessed as part of the annual effectiveness evaluation and, in any event, the Chair regularly reviews and discusses the development needs with each Director. Each Director is fully aware that they should take responsibility for their own individual development needs and take the necessary steps to ensure they are wholly informed of regulatory and business developments.

During the year, the Directors received periodic guidance on technical, regulatory and compliance changes at quarterly Board meetings, and on an ad hoc basis where necessary.

SHAREHOLDER ENGAGEMENT

The Group encourages active interest and contribution from both its shareholders and responds promptly to all queries received by the Group. The Board recognises the importance of maintaining strong relationships with shareholders and the Directors place a great deal of importance on understanding shareholder sentiment.

The Investment Manager and the Group's Joint Financial Advisers regularly meet to discuss, amongst other things, the views of the Company's shareholders. The Group's Corporate Broker speaks to shareholders regularly and ensures shareholder views are clearly communicated to the Board. The Board takes responsibility for, and has a direct involvement in, the content of communications regarding major corporate matters.

The Board encourages shareholders to attend and vote on the resolutions at the Annual General Meeting, and to ask the Board any questions that they may have.

The Chair makes himself available, as necessary, to speak to shareholders. In addition, the Chairs of the Board's Committees make themselves available, as necessary, on significant matters related to their areas of responsibility when required.

The Board is committed to providing investors with regular announcements on events affecting the Group. The Group publishes quarterly factsheets that are available to download, along with all other investor documentation, from the Group's website www.socialhousingreit.com

During the year, the Group regularly engaged with shareholders.

Leatham,
Sunderland

AUDIT COMMITTEE REPORT

Peter Coward
Audit Chair

Audit Committee Members	Audit Committee Meetings Attended/ Requiring Attendance
Peter Coward (Chair)	5/5
Ian Reeves CBE	4/5
Tracey Fletcher-Ray	5/5
Bryan Sherriff*	N/A

* Bryan Sherriff was appointed to the Board and the Audit Committee with effect from 1 January 2025.

RESPONSIBILITIES

The Audit Committee has the primary responsibility of reviewing the financial statements and the accounting principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of the Group's internal controls.

The main role of the Audit Committee is to:

- provide formal and transparent arrangements for considering how to apply the financial reporting and internal control principles set out in the AIC Code and to maintain an appropriate relationship with the external auditors;
- where requested, provide advice to the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained in them;
- review the Group's internal financial controls and the Group's internal control and risk management systems;
- make recommendations to the Board to put to the shareholders for their approval in general meetings in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- liaise with the Group's Tax Adviser in relation to ensuring continuing compliance with the REIT regime;
- liaise with the Group's external Valuer in relation to the valuation of the Group's portfolio and the process undertaken in determining the valuation;
- develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken; and
- report to the Board on how it has discharged its responsibilities.

The Audit Committee's Terms of Reference can be found on the Group's website at www.socialhousingreit.com/corporate-governance/.

COMMITTEE MEMBERSHIP

The Audit Committee is chaired by Peter Coward and currently comprises of four members.

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. Peter Coward is a qualified Chartered Accountant and was, until the end of June 2016, a Senior Tax Partner at PricewaterhouseCoopers LLP specialising in property. The Board is also satisfied that the Committee, collectively, has competence relevant to the sector in which the Group operates.

ACTIVITIES

The Audit Committee meets at least three times a year to consider the annual report, interim report, any other formal financial performance announcements, and any other matters as specified under the Committee's Terms of Reference. The Committee regularly reports to the Board on how it discharged its responsibilities. During the year, the Audit Committee discussed and considered the external audit performance, objectivity and independence, the external auditor re-appointment, accounting policies and alternative accounting treatments, significant accounting judgements and estimates, and the risk register. The Audit Committee met during the year to discuss the transition of the administration and company secretarial services in anticipation of the acquisition of Hanway Advisory Limited by JTC (UK) Limited.

PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 76 to 77 for further details on the performance evaluation.

INTERNAL CONTROL AND RISK MANAGEMENT

The Group has an ongoing process in place for identifying, evaluating and managing the principal and emerging risks faced by the Group.

During the year, the Board carried out a robust assessment of the Group's emerging and principal risks, which was further reviewed by the Audit Committee, and satisfied itself that the procedures for identifying the information needed to monitor and manage these risks were robust. The Group has in place the following key internal controls:

- a risk register identifying risks and controls to mitigate their potential impact and/or likelihood and this is maintained by the Investment Manager subject to the supervision and oversight of the Committee;
- a procedure to ensure that the Group can continue to operate as a REIT;
- internal control reports of the Investment Manager, Administrator and Depositary, which are reviewed by the Board;
- forecasts and management accounts prepared by the Investment Manager and Administrator, which allow the Board to assess performance; and
- there is an agreed and defined Investment Policy, specified levels of authority and exposure limits in relation to investments, leverage and payments.

The Board also receives a quarterly depositary report. INDOS Financial Limited are responsible for cash monitoring, asset verification and oversight of the Group and the Investment Manager in performing its function under the AIFMD. The Depositary reports its findings on a quarterly basis during which it monitors and verifies all new acquisitions, share issues, loan facilities, shareholder distributions and other key events. In addition, on an ongoing basis, the Depositary tests the quarterly management accounts, bank reconciliations and performs a quarterly review of the Group when discharging its duties.

Taking into account the review of the reports provided and its knowledge of the business, the Audit Committee has reviewed and approved any statements included in the annual report concerning internal controls and risk management and has determined that the effectiveness of the internal controls was satisfactory. The principal risks and uncertainties identified from the risk register and a description of the Group's risk management procedures can be found on pages 56 to 61.

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT COMMITTEE

The Audit Committee considered the key accounting judgements underlying the preparation of the financial statements, focusing specifically on:

VIABILITY AND GOING CONCERN

The Board is required to consider and report on the longer-term viability of the business as well as assess the appropriateness of applying the going concern assumption.

The Audit Committee has taken account of the solvency and liquidity position of the Group from the financial statements and the forecasted Group cash flow information provided by the Investment Manager and as a result considers that it is appropriate to adopt the going concern basis of preparation of the financial statements.

The Audit Committee has also considered the longer-term solvency and liquidity forecasts provided by the Investment Manager, including refinancing requirements, compliance with debt covenants and UK REIT rules and as a result has a reasonable expectation that the Group will be able to continue in business over the five-year period of its assessment.

VALUATION OF PROPERTY PORTFOLIO

The valuation of the Group's property portfolio is fundamental to the Group's statement of financial position and reported results.

The valuations of the properties at the end of the financial period were performed by Jones Lang LaSalle, whom the Audit Committee considers to have sufficient local and national knowledge of social housing and Supported Housing and the skills and knowledge to undertake the valuations competently. The Audit Committee met with the Group's Valuer to discuss the valuation methodology of the Group's portfolio.

The Audit Committee considered the underlying assumptions of IFRS valuation basis and portfolio valuation and gains comfort from the valuer's methodology and other supporting market information. The Audit Committee has considered the subjectivity of the property valuations which could affect the NAV and share price of the Group, and these were discussed with the Investment Manager and the external auditor.

REVENUE RECOGNITION

The Group's revenue solely comprises rental income from investment properties, and therefore, it is integral that the underlying assumptions for determining rental income are appropriate. Rental income is recognised on a straight-line basis over the lease term, thereby relying on the Investment Manager's determination of the lease term based on whether they are reasonably certain the option to extend the lease term will be exercised. The Audit Committee gained comfort of these assumptions by reviewing the external auditor's analysis including a review of the lease documentation, investigation of differences to actual revenue recognised in the year compared to expectations, and how they challenged any significant assumptions made by the Investment Manager.

EXPECTED CREDIT LOSS

The Board has considered the appropriateness of the ECL provision, which relates to rental arrears for one of the Group's Approved Providers. The ECL provision represents a probability of default by the Approved Provider, on outstanding rent due at 31 December 2024, which was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. The expected credit loss for the year relates wholly to one tenant that was fully provided.

INTERNAL AUDIT

The Board has considered the appropriateness of establishing an internal audit function and, having regard to the structure and nature of the Group's activities, has concluded that the function is unnecessary. The Audit Committee will review on an annual basis the need for this function and make appropriate recommendations to the Board.

EXTERNAL AUDITOR, AUDIT FEES AND NON-AUDIT SERVICES

An important responsibility of the Audit Committee each year is to monitor the performance, objectivity and independence of the Group's external auditor, currently BDO LLP ("BDO"). In evaluating BDO's performance, the Audit Committee examine the effectiveness of the audit process, independence and objectivity of the auditor, taking into consideration the length of tenure of the external auditor, the non-audit services undertaken during the year and relevant UK professional and regulatory requirements, and the quality of delivery of its services.

BDO were appointed as the external auditor of the Group on 18 July 2017, and a formal external audit tender process was undertaken in 2019. BDO were recommended by the Audit Committee for re-appointment at the 2024 AGM and the resolution was duly passed. We transitioned our lead BDO partner for the 2022 audit following completion of the previous audit partner's five-year term.

The auditors attend the majority of the Audit Committee meetings and I, as Audit Committee Chair, have a number of meetings with the lead audit partner as required. The auditor works with the Investment Manager and discuss their findings and recommendations with the Audit Committee.

The Audit Committee has approved a non-audit services policy that determines the services that BDO can provide and the maximum fee that may be raised for non-audit services in comparison to the statutory audit fee, in line with the FRC Ethical Standards for Auditors.

In accordance with the policy, and to ensure that independence and objectivity is satisfactorily safeguarded, the approval of the Audit Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services above a fee threshold of £5,000. The Audit Committee has also agreed that the role of reporting accountant although a permitted service, where necessary, would be undertaken by a firm other than BDO to ensure best practice compliance with the non-audit service policy.

BDO are prohibited from providing services to the Group that would be considered to jeopardise their independence, such as tax services, bookkeeping and preparation of accounting records, financial systems design and implementation, valuation services, internal audit outsourcing and services linked to the financing, capital structure and asset allocation. The Group's non-audit services policy is reviewed annually to ensure it continues to be in line with best practice.

The Committee annually reviews the level of non-audit fees to ensure that the provision of non-audit services does not impair the auditor's independence or objectivity, taking into account the relevant regulations and the FRC's Ethical Standard. The policy provides that total fees for non-audit services provided by the auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Group paid to the auditor in the last three consecutive financial years.

The total audit fee in relation to the 31 December 2024 year end audit of the Group and subsidiaries was £314,000 (net of VAT). The total non-audit fees for the year ended 31 December 2024 were £42,500 (net of VAT) in relation to the interim review. The ratio of non-audit services fees to audit fees in the year was 14%.

Peter Coward
Audit Committee Chair

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

Tracey Fletcher-Ray (Chair)
Management Engagement Committee Chair

RESPONSIBILITIES

The main function of the Management Engagement Committee is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Manager. The Committee will regularly review the composition of the key executives performing the services on behalf of the Investment Manager and monitor and evaluate the performance of other key service providers to the Group.

The Management Engagement Committee's Terms of Reference can be found on the Group's website at www.socialhousingreit.com/corporate-governance/.

COMMITTEE MEMBERSHIP

The Management Engagement Committee is chaired by Tracey Fletcher-Ray and comprises of three members.

Management Engagement Committee Members	Management Engagement Committee Meetings Attended/ Requiring Attendance
Tracey Fletcher-Ray (Chair)	1/1
Chris Phillips	0/1
Peter Coward	1/1

ACTIVITIES

During the year, the Management Engagement Committee conducted a comprehensive review of the key agreements with its service providers, a detailed review of the performance, composition, personnel and fees of the Investment Manager, and a review of the Group's other corporate advisers and key service providers. The discussion included an assessment of performance and suitability of the services provided, and a review of the termination period of each agreement.

The Management Engagement Committee considered the terms of the Investment Management Agreement to ensure it continues to reflect properly the commercial arrangements agreed between the Company and the Investment Manager and were satisfied that this was the case.

PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 76 to 77 for further details on the performance evaluation.

ADMINISTRATION AND COMPANY SECRETARIAL ARRANGEMENTS

Hanway Advisory Limited, who were associated with Triple Point Investment Management LLP, were appointed on 1 October 2018 to provide Administration and Company Secretarial Services to the Group. Hanway Advisory Limited was sold to JTC (UK) Limited on 1 July 2024 and ceased to be associated with Triple Point Investment Management LLP from that date.

MANAGEMENT ARRANGEMENTS

The Company operates as an externally managed alternative investment fund for the purposes of the AIFMD. In its role as AIFM, the Investment Manager is responsible for portfolio management and risk management of the Group pursuant to the AIFMD.

The Company's AIFM and Investment Manager is Atrato Partners Limited ('Atrato'), who were appointed with effect from 1 January 2025, following the independent review of investment management arrangements. Prior to this Triple Point Investment Management LLP ('Triple Point') were the Company's AIFM and Investment Manager.

FINANCIAL YEAR ENDED 31 DECEMBER 2024

AIFM AGREEMENT WITH TRIPLE POINT

For the performance of the risk management function, which was set out within the AIFM Agreement and excluded the portfolio management aspect of the role, Triple Point received an annual fee which equated to 3.5 basis points on net assets of up to £300 million, and 3.0 basis points for net assets above £300 million.

The Group gave certain market standard indemnities in favour of Triple Point in respect of Triple Point's potential losses in carrying on its responsibilities under the AIFM Agreement.

The annual fee paid under the AIFM Agreement with Triple Point for the year ended 31 December 2024 was £233,000 (2023: £216,000). No performance fee was payable to Triple Point.

The Company gave Triple Point twelve months' notice of termination of the AIFM Agreement on 9 October 2024. The AIFM Agreement was terminated with effect from 6 January 2025. Details regarding the early termination fee agreed between the Company and Triple Point can be found in Note 9.

INVESTMENT MANAGEMENT AGREEMENT WITH TRIPLE POINT

Under the Investment Management Agreement, which governed the portfolio management aspects of the AIFM role, Triple Point was entitled to receive an annual management fee which was calculated quarterly in arrears based upon a percentage of the NAV of the Group (not taking into account uncommitted cash balances excluding debt) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis:

Company Basic NAV (excluding cash balances)	Annual management fee (percentage of Basic NAV)
Up to and including £250 million	1.0%
Above £250 million and up to and including £500 million	0.9%
Above £500 million and up to and including £1 billion	0.8%
Above £1 billion	0.7%

The annual fee paid to Triple Point under the Investment Management Agreement for the year ended 31 December 2024 was £4.65 million (2023: £4.65 million).

On a semi-annual basis, once the Group's half year or year-end NAV had been announced, Triple Point were required to procure that 25% of the management fee (net of any applicable tax) for the relevant six-month period immediately preceding the date of that NAV was applied by subscribing for, or acquiring, Ordinary Shares ('Management Shares'). Triple Point subscribed for or acquired Management Shares on a semi-annual basis as anticipated under the Investment Management Agreement.

Triple Point were also entitled to be reimbursed for all disbursements, fees and costs payable to third parties properly incurred by them on behalf of the Group pursuant to provision of the services under the Investment Management Agreement.

There were no performance, acquisition, exit or property management fees.

The Company gave Triple Point twelve months' notice of termination of the Investment Management Agreement on 9 October 2024. The Investment Management Agreement was terminated with effect from 6 January 2025. Details regarding the early termination fee agreed between the Company and Triple Point can be found in Note 8.

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

FINANCIAL YEAR ENDING 31 DECEMBER 2025

AIFM AGREEMENT WITH ATRATO

Under the AIFM Agreement, Atrato is entitled to receive a management fee, which is payable by the Company on a quarterly basis and is based on a percentage of the Company's market capitalisation at the end of each quarter (the '**Management Fee**'). The Management Fee is calculated using the following fee thresholds and rates:

Market capitalisation threshold	Relevant fee rate (per annum)
Up to and including £150m	1.25 per cent.
Above £150m and up to and including £300m	1.00 per cent.
Above £300m	0.70 per cent.

Atrato, or any connected person nominated, has undertaken to invest in and hold an amount of shares in the Company equal to 25% of the Management Fee (after making an allowance for tax payable by Atrato). Atrato have agreed, subject to certain exceptions, not to dispose of such shares for a period of 12 months from the date of their acquisition.

In the event that Atrato arranges and effects the sale of any properties at the direction of the Company, and the Company elects to return such value to shareholders, Atrato shall be entitled to a fee equal to 0.5% of the gross sale price of the relevant properties.

The AIFM Agreement may be terminated by the Company or Atrato on 12 months' written notice at any time. The AIFM Agreement may be terminated immediately by either party in certain circumstances including, if any resolution is passed or order is made for the winding-up of the other party or the other party has committed a material breach of the terms of the AIFM Agreement.

CONTINUING APPOINTMENT OF THE INVESTMENT MANAGER

The Management Engagement Committee has reviewed the continuing appointment of the Investment Manager and based on the Group's strong investment performance, deep sector expertise and counterparty relationships, the Committee is satisfied that their appointment remains in the best interests of shareholders as a whole.

T. Fletcher-Ray

Tracey Fletcher-Ray
Management Engagement Committee Chair

NOMINATION COMMITTEE REPORT

Nomination Committee Members	Nomination Committee Meetings Attended/ Requiring Attendance
Chris Phillips (Chair)	4/4
Tracey Fletcher-Ray*	N/A
Cecily Davis	3/4
Former Members	
Ian Reeves CBE**	4/4
Bryan Sherriff***	N/A

* Tracey Fletcher-Ray was appointed to the Nomination Committee with effect from 26 February 2025.

** Ian Reeves stepped down as a member of the Nomination Committee with effect from 26 February 2025.

***Bryan Sherriff was appointed to the Board and the Nomination Committee with effect from 1 January 2025 but stepped down as a member of the Nomination Committee with effect from 26 February 2025.

Chris Phillips
Nomination Committee Chair

RESPONSIBILITIES

The Nomination Committee's main function is to lead the process for appointments, ensuring plans are in place for orderly succession to the Board, overseeing the development of a diverse pipeline for succession and any other matters as specified under the Committee's Terms of Reference. This includes ensuring that any appointments and succession plans are based on merit and objective criteria, and, within this context, promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Nomination Committee's Terms of Reference can be found on the Group's website at www.socialhousingreit.com/corporate-governance/

COMMITTEE MEMBERSHIP

The Nomination Committee is chaired by Chris Phillips and comprises of three members.

ACTIVITIES

The Committee met four times during the year ended 31 December 2024 to review the balance of skills and experience, the size and structure of the Board, and succession planning.

The Committee led the recruitment process for a new Non-Executive Director, working with an independent external search consultant. The Committee identified and nominated Bryan Sherriff as a Non-Executive Director, for the approval of the Board. This is discussed in further detail below.

The Committee also reviewed the time and significant commitments of the Board and satisfied itself that the Directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration of external appointments.

SUCCESSION PLANNING AND RECRUITMENT

A key focus of the Nomination Committee during the year was the continued implementation of the long-term succession plan for the Board. Once a decision is made to recruit an additional Director, under its Terms of Reference, the Nomination Committee has the responsibility of identifying and leading that process on behalf of the Board. A formal role description is created, which is based upon requirements identified from a review of the current balance of experience and skills, as well as having due regard to the benefits of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Committee is then responsible for engaging with an independent external search consultant in order to facilitate the search, if this is considered necessary. In accordance with the Group's Diversity Policy, the Committee must engage with an external search consultant that can commit to undertaking an open and transparent process that includes potential candidates from different social and ethnic backgrounds.

The Committee engaged with Tyzack Partners Limited ("Tyzack") to support in its recruitment process for the year ended 31 December 2024. Tyzack provided a longlist of candidates which was reviewed by the Committee to create a shortlist. Interviews then took place with short-listed candidates and the Committee. Following this process, the Nomination Committee recommended Bryan Sherriff to the Board for appointment as a Non-executive Director. Bryan joined the Board with effect from 1 January 2025 and following a handover period to allow Bryan to settle into his role, Ian Reeves will step down from the Board at the 2025 Annual General Meeting.

In line with the Succession Plan for the Board, Chris Phillips and Peter Coward are due to step down from the Board at the Annual General Meeting in 2026. Processes to identify their successors have begun to ensure there is sufficient time for an orderly handover.

PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 76 to 77 for further details on the performance evaluation.

RE-ELECTION OF DIRECTORS

The Board considers that the performance of each Director continues to be effective and demonstrates the commitment required to continue in their present roles, and that each Director's contribution continues to be important to the Company's long-term sustainable success. This consideration is based on, amongst other things, the business skills and industry experience of each of the Directors (refer to the biographical details of each Director on pages 68 to 70), as well as their knowledge and understanding of the Company's business model.

The Board has also considered the other contributions which individual Directors may make to the work of the Board, with a view to ensuring that:

(i) the Board maintains a diverse balance of skills, knowledge, backgrounds and capabilities leading to effective decision-making;

(ii) each Director is able to commit the appropriate time necessary to fulfilling their roles; and

(iii) each Director provides constructive challenge, strategic guidance, offers specialist advice and holds third-party service providers to account.

All Directors submit themselves for election or re-election on an annual basis. In accordance with the succession plan for the Board, Ian Reeves will be stepping down from the Board at the 2025 Annual General Meeting and therefore will not be standing for re-election. All other Directors in office as at the date of this report are to be proposed for election or re-election at the 2025 Annual General Meeting.

TENURE POLICY

The Board considers that the length of time each Director, including the Chair, serves on the Board should not be limited and has not set a finite tenure policy. Continuity, self-examination and ability to do the job are the relevant criteria on which the Board assesses a Director's independence. Length of service of current Directors and future succession planning will be reviewed each year as part of the Board evaluation process.

DIVERSITY

DIVERSITY AND INCLUSION POLICY

The Board has established and maintains a formal written diversity policy.

The Board's objective is to maintain effective decision-making, including the impact of succession planning. The Board recognises the benefits of all types of diversity and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit, and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, ensuring that such appointment will develop and enhance the operation of the Board to best serve the Group's strategy.

The Board recognises the importance of diversity in the boardroom which introduces different perspectives to the Board debate and considers it to be in the interests of the Group and its shareholders to take into consideration diversity criteria when appointing a new individual to the Board. In line with the Company's succession plan, when undertaking the appointment of a new Director, the Nomination Committee will instruct an external search consultancy to undertake an open and transparent process that includes potential candidates from different social and ethnic backgrounds.

Members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge and business. The Board will continue to monitor diversity, taking such steps as it considers appropriate to maintain its position as a meritocratic and diverse business.

FCA UK LISTING RULE DIVERSITY TARGETS

In accordance with the UK Listing Rules of the FCA, the Group is required to report on whether the following targets on board diversity have been met, as at 31 December 2024: at least 40% of individuals on the Board are women; at least one of the senior Board positions is held by a woman; and at least one individual on its Board is from a minority ethnic background.

The following table sets out the gender and ethnic diversity of the Board as at 31 December 2024 in accordance with the FCA's UK Listing Rules, the disclosure of which in this Report having been approved by the Directors:

Gender Diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]
Men	3	60	1
Women	2	40	1
Not specified/prefer not to say	–	–	–
Ethnic Diversity			
White British or other White (including minority white groups)	4	80	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	1	20	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

1 Senior positions include Chair and Senior Independent Director.

As at 31 December 2024, the Board had met all the FCA's targets with respect to diversity. As set out above, Bryan Sherriff was appointed to the Board with effect from 1 January 2025 and following this appointment, the Board now meets two of the three targets. Ian Reeves will step down from the Board at the 2025 Annual General Meeting, following which the Board will be compliant will all three targets. We remain committed to pursuing the benefits of a diverse Board and will continue to make improvements in this regard.

As an investment company with solely independent, Non-executive Directors, the Group does not have a Chief Executive or a Chief Financial Officer and has no employees. Accordingly, no disclosures regarding executive management positions have been included.

Chris Phillips
Nomination Committee Chair

SUSTAINABILITY & IMPACT COMMITTEE REPORT

Ian Reeves CBE (Chair)
Sustainability & Impact Committee Chair

RESPONSIBILITIES

The Sustainability & Impact Committee's main function is to oversee the development and implementation of the Company's ESG strategy, and the resultant impact on the social value that the Company provides to the UK housing market. The ESG strategy forms a key component of our wider strategic initiatives and is central to delivering sustainable value for our shareholders and providing good homes to people with care and support needs throughout the UK.

Our commitment to transparency can be seen through our sustainability-related targets and ongoing disclosure of our performance.

The Sustainability & Impact Committee's Terms of Reference can be found on the Group's website at www.socialhousingreit.com/corporate-governance/

COMMITTEE MEMBERSHIP

The Sustainability & Impact Committee is chaired by Ian Reeves and currently comprises of four members.

Sustainability & Impact Committee Members	Sustainability & Impact Committee Meetings Attended/ Requiring Attendance
Ian Reeves CBE (Chair)	3/3
Tracey Fletcher-Ray	3/3
Cecily Davis	2/3
Bryan Sherriff*	N/A

* Bryan Sherriff was appointed to the Board and the Sustainability & Impact Committee with effect from 1 January 2025.

ACTIVITIES

The Committee met three times during the year ended 31 December 2024, to monitor progress made in respect of the eco-retrofit pilot project and understand learnings from that project, and to oversee progress made with regards to the Company's net zero target.

During the year, the Committee also considered whether the Company's Sustainability Report for the year ended 31 December 2024 should be a separate report and discussed the Company's participation in external sustainability assessments.

ECO-RETROFIT PILOT PROJECT

The UK Government has confirmed its ambition to have all rented properties achieving a minimum EPC rating of 'C' by 2030. In 2023, the Company implemented an eco-retrofit pilot project which focused on enhancing the energy efficiency of 11 properties with the intention of scoping the cost, technologies and preferred suppliers to implement a portfolio-wide EPC upgrade project. The eco-retrofit pilot project was successfully completed, implementing a range of upgrades to the 11 properties, as well as improving the building fabric.

The eco-retrofit pilot project was strategically designed to gain a deeper understanding of the practicalities associated with retrofitting Specialised Supported Housing and the Group's ability to access grant funding. With the learnings from the pilot project, the Sustainability & Impact Committee and the Investment Manager will move on to consider the portfolio-wide EPC upgrade project, with details expected to be announced during the first half of 2025.

NET ZERO TARGET

Following a recommendation from the Committee, the Board adopted the following near-term science aligned net zero pathway for the Company to: reduce social housing portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021.

Subsequent to the appointment of Atrato Partners Limited, the Company has initiated a review of its near-term emissions reduction target. Through this review, the Company will be evaluating its baseline emissions, following recent enhancements to its emissions data and calculation process, and assessing options to refresh the target to ensure alignment with best practice target setting methodology and ambitious yet achievable decarbonisation levers for the Company. Further information can be found in the Sustainability Report on pages 27 to 30.

PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 76 to 77 for further details on the performance evaluation.

KEY AREAS OF FOCUS FOR 2025

Looking ahead to 2025, the Sustainability & Impact Committee will:

- Continue to oversee the development and embedding of the ESG strategy with regular reviews of sustainability targets and performance against sustainability-related objectives;
- Oversee the ongoing commitment to reduce portfolio emissions; and
- Consider the implementation of a portfolio-wide EPC update project, following the successful completion of the eco-retrofit pilot project.

Ian Reeves CBE
Sustainability & Impact Committee Chair

DIRECTORS' REMUNERATION REPORT

ANNUAL STATEMENT

DEAR SHAREHOLDER,

I am pleased to present the Directors' Remuneration Report on behalf of the Board for the year ended 31 December 2024. It is set out in two sections in line with legislative reporting regulations:

- Directors' Remuneration Policy (on pages 93 to 94) – This sets out our Remuneration Policy for Directors of the Company that has been in place since 16 May 2024 following approval by shareholders.
- Annual Report on Directors' Remuneration (on pages 95 to 97) – This sets out how the Directors were paid for the year ended 31 December 2024. There will be an advisory shareholder vote on this section of the report at our 2025 AGM.

Prior to our IPO in August 2017, the Group introduced a remuneration framework to ensure that remuneration was aligned with best market practice whilst attracting and securing the right non-executive Directors to deliver our investment objectives.

The scale and structure of the Directors' remuneration was determined by the Company in consultation with the Group's Financial Adviser, having been benchmarked against companies of a similar size in the sector and having regard to the time commitment and expected contribution to the role.

The Group does not have any executive Directors or employees, and, as a result, operates a simple and transparent remuneration policy with no variable element that reflects the non-executive Directors' duties, responsibilities and time spent.

DISCRETION EXERCISED UNDER THE DIRECTORS' REMUNERATION POLICY

At the date of this report, no discretion is intended to be exercised under the Directors' Remuneration Policy.

We value engagement with our shareholders and appreciate the constructive feedback we receive and we look forward to your support at the forthcoming AGM.

Chris Phillips
Chair

DIRECTORS' REMUNERATION POLICY

APPROVAL OF REMUNERATION POLICY

Our Directors' Remuneration Policy was last approved by shareholders at the Annual General Meeting of the Group held on 16 May 2024 and became effective from the conclusion of that Annual General Meeting. In accordance with section 439A of the Companies Act 2006, the provisions of the policy will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied, in which event shareholder approval for the new Remuneration Policy will be sought.

The policy applies to the non-executive Directors; the Company has no executive Directors or employees.

REMUNERATION POLICY OVERVIEW

The Group's objective is to have a simple and transparent remuneration structure, aligned with the Group's strategy. The Group aims to provide remuneration packages with no variable element which will retain non-executive Directors with the skills and experience necessary to maximise shareholder value on a long-term basis. The remuneration packages for the recruitment of non-executive Directors will be set with reference to the remuneration packages of comparable businesses.

POLICY TABLE

The Directors are entitled only to the fees as set out in the table below from the date of their appointment. No element of Directors' remuneration is subject to performance factors.

Component	Operation	Link to strategy
Annual Fee	Each Director receives a basic fee which is paid on a monthly basis. The total aggregate fees that can be paid to the Directors in any given financial year will be calculated in accordance with the Company's Articles of Association.	The level of the annual fee has been set to attract and retain high calibre Directors with the skills and experience necessary for the role. The fee has been benchmarked against companies of a similar size in the sector, having regard to the time commitment and expected contribution to the role.
Additional Fees	The Directors are each entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Group. A Director who performs services, which in the opinion of the Board are outside the scope of the ordinary duties of a non-executive director, may also be paid such extra remuneration or may receive such other benefits as the Board may determine.	The additional fee in connection with the production of every prospectus has been included in recognition of the additional time commitment and contribution required in the preparation of a prospectus by the Company. The additional fee for services outside of the scope of ordinary duties offers flexibilities for a Director to be awarded additional remuneration to adequately compensate a Director where this is considered appropriate for the effective functioning of, or in furtherance of, the Company's aims.

DIRECTORS' REMUNERATION POLICY

Component	Operation	Link to strategy
Other benefits	Article 18.5 of the Company's Articles of Association permits for any Director to be repaid expenses incurred in attending or returning from meetings of the Board, Board Committee meetings or shareholder meetings or otherwise in connection with the performance of their duties as Directors of the Company. The Board has the power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.	In line with market practice, the Company will reimburse the Directors for expenses to ensure that they are able to carry out their duties effectively. The Directors do not currently receive any additional benefits; however the Board has included the power to offer the additional benefits as specified to create flexibility in the approach to retain or attract high calibre Board members.

SERVICE CONTRACTS

The Directors are engaged under letters of appointment and do not have service contracts with the Company.

DIRECTORS' TERM OF OFFICE

Under the terms of the Directors' letters of appointment, each directorship is for an initial period of 12 months and thereafter terminable on three months' written notice by either the Director or the Company. Each Director will be subject to annual re-election by shareholders at the Company's Annual General Meeting in each financial year.

POLICY ON PAYMENT FOR LOSS OF OFFICE

The Directors are entitled to payment of the fees as specified above, notwithstanding termination of their appointment, for the initial period of 12 months from the date of their appointment. Thereafter, there is no compensation payable upon termination of office as a Director of the Company.

CONSIDERATION OF SHAREHOLDER VIEWS

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in the Directors' Remuneration Report.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

CONSIDERATION OF REMUNERATION MATTERS

The Board does not consider it necessary to establish a separate remuneration committee as it has no executive Directors. The Board as a whole considers the remuneration of the Directors.

SINGLE TOTAL FIGURE (AUDITED TABLE)

Non-Executive Directors[1]	Annual Fee[2]	Additional Fee[3]	Other taxable benefits[4]	Total 2024	2023-2024 % Annual Change	Total 2023	2022-2023 % Annual Change	Total 2022	2021-2022 % Annual Change	Total 2021	2020-2021 % Annual Change[7]	Total 2020
Chris Phillips	£75,000	–	–	£75,000	0%	£75,000	0%	£75,000	0%	£75,000	(9%)	£82,500
Ian Reeves CBE	£50,000	–	–	£50,000	0%	£50,000	0%	£50,000	0%	£50,000	(13%)	£57,500
Peter Coward	£50,000	–	–	£50,000	0%	£50,000	0%	£50,000	0%	£50,000	(13%)	£57,500
Cecily Davis[5]	£50,000	–	–	£50,000	64%	£30,513	N/A	–	N/A	–	N/A	–
Tracey Fletcher-Ray	£50,000	–	–	£50,000	0%	£50,000	0%	£50,000	0%	£50,000	(13%)	£57,500
Former Non-Executive Directors												
Paul Oliver[6]	£0	–	–	£0	(100%)	£25,000	(50%)	£50,000	0%	£50,000	(13%)	£57,500

1 Bryan Sherriff was appointed to the Board with effect from 1 January 2025 and so did not receive any fees for the year ended 31 December 2024.
2 The Directors are paid a fixed annual fee. The fees do not have any variable or performance related elements; however, the Directors are entitled to an additional fee of £7,500 in connection with the production of every prospectus prepared with a fundraising by the Group. Refer to the Directors' Fees section below.
3 The Directors received no additional fees for the year ended 31 December 2024.
4 The Company does not provide a pension, retirement or similar benefits.
5 Cecily Davis was appointed to the Board with effect from the conclusion of the Annual General Meeting on 23 May 2023.
6 Paul Oliver retired from the Board with effect from 30 June 2023.
7 % Change in fee is in relation to additional fees for the prospectus in 2020 at £7,500 per Director.

DIRECTORS' FEES

The Directors are each paid an annual fee of £50,000 other than the Chair who is entitled to receive an annual fee of £75,000. In addition to the annual fee, each Director is entitled to an additional fee of £7,500 in connection with the production of every prospectus prepared with a fundraising by the Group in recognition of the additional time contribution and commitment required. Any Director who performs services, which in the opinion of the Board are outside the scope of the ordinary duties of a non-executive director, may also be paid such extra remuneration or may receive such other benefits as the Board may determine. The additional fees are treated as a cost of issue not included as an expense through the Statement of Comprehensive Income. Directors are further entitled to recover all reasonable expenses properly incurred in connection with performing their duties as a Director. Directors' expenses for the year ended 31 December 2024 totalled £6,077 (31 December 2023: £2,960). No other remuneration was paid or payable during the year to any Director.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED TABLE)

Outlined are details of the Directors' shareholdings as at 31 December 2024.

The Directors are not required to hold any shares of the Company by way of qualification. A Director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

Director*	Number of shares held as at 31 December 2023	Number of shares held as at 31 December 2024	Percentage of issued share capital as at 31 December 2024
Chris Phillips	54,854**	54,854**	0.01%
Ian Reeves CBE	0	0	0.00%
Peter Coward	80,076***	80,076***	0.02%
Cecily Davis	0	0	0.00%
Tracey Fletcher-Ray	37,735	37,735	0.01%

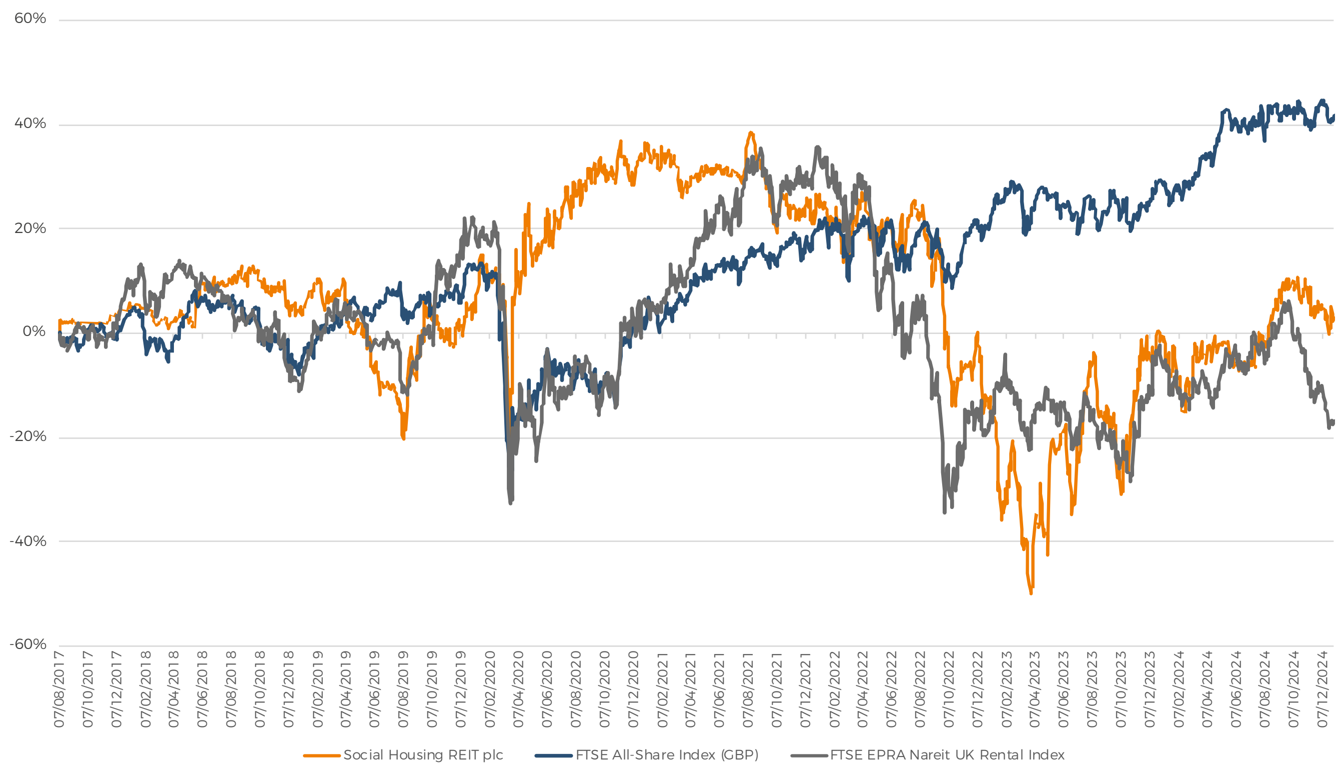
* Bryan Sherriff was appointed to the Board with effect from 1 January 2025 and holds no shares in the Company.

** 25,000 Ordinary Shares were subscribed through Chris Phillips' self-invested personal pension with the balance subscribed by Centaurea Investments Limited.

*** 55,076 Ordinary Shares were subscribed through Peter Coward's self-invested personal pension.

TOTAL SHAREHOLDER RETURN

The graph below illustrates the total shareholder return of the Company's Ordinary Shares over the period relative to a return on a hypothetical holding over the same period in the FTSE All-Share Index and the FTSE EPRA/NAREIT UK Index. These indices have been chosen as they are considered to be the most appropriate benchmarks against which to assess the relative performance of the Company as the FTSE All Share represents companies of a similar capital size, and the constituents of the FTSE EPRA/NAREIT UK Index are UK based real estate companies.



RELATIVE IMPORTANCE OF SPEND ON PAY

The table below shows the total spend on remuneration compared to the distributions to shareholders by way of dividends, share buybacks and the management fees incurred by the Company. As the Group has no employees the total spend on remuneration comprises only the Directors' fees.

Director*	2024	2023
Directors' fees	£275,000	£280,513
Dividends paid	£21,483,270	£21,622,131
Share buybacks	–	£5,010,038
Management fee	£7,814,425*	£4,650,566

* This figure includes both management fees and termination fees. Please see Note 8 for further information.

CONSIDERATION OF SHAREHOLDER VIEWS

During the year, the Company did not receive any communications from shareholders specifically regarding Directors' pay.

The resolutions to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) and the Directors' Remuneration Policy were passed on a poll at the Annual General Meeting on 16 May 2024.

	Voting for	Voting against	Votes withheld
Remuneration Report	93.28%	6.72%	178,998
Remuneration Policy	92.49%	7.51%	20,526,889

On behalf of the Board:

Chris Phillips
Chair

21 March 2025

DIRECTORS' REPORT

The Directors are pleased to present the annual report, including the Group's and Company's audited financial statements as at, and for the year ended 31 December 2024.

The information that fulfils the requirements of the Corporate Governance statement in accordance with rule 7.2 of the DTR can be found in this Directors' report and in the Governance section on pages 66 to 101 all of which is incorporated into this Directors' report by reference.

PRINCIPAL ACTIVITY

The Company is a closed-ended investment company and is a Real Estate Investment Trust which was incorporated in England and Wales on 12 June 2017. The Company is a holding company of a number of subsidiaries. The Group invests in properties in accordance with the Investment Policy and Investment Objective.

DIRECTORS

The names of the current serving Directors are set out in the Board of Directors section on pages 68 to 70, together with their biographical details and principal external appointments.

The Articles govern the appointment and replacement of Directors.

AIFM AND INVESTMENT MANAGER

A summary of the principal contents of the AIFM agreement is set out in the Management Engagement Committee report on pages 85 to 86.

Atrato Partners Limited were appointed as the Group's AIFM and Investment Manager with effect from 1 January 2025, following an independent review of the investment management arrangements.

Triple Point Investment Management LLP served as the Group's AIFM and Investment Manager for the year ended 31 December 2024. The Company gave Triple Point twelve months' notice of termination of the AIFM Agreement and the Investment Management Agreement on 9 October 2024. Both agreements were terminated with effect from 6 January 2025.

FINANCIAL RESULTS AND DIVIDENDS

The financial results for the year can be found in the Group Statement of Comprehensive Income which can be found on page 114. In line with the target for the financial year, the Company declared the following interim dividends in respect of the year to 31 December 2024, amounting to 5.46 pence per share.

Relevant period	Dividend per share (p)	Ex dividend date	Record date	Payment date
1 January to 31 March 2024	1.365	30 May 2024	31 May 2024	28 June 2024
1 April to 30 June 2024	1.365	19 September 2024	20 September 2024	4 October 2024
1 July to 30 September 2024	1.365	28 November 2024	29 November 2024	13 December 2024
1 October to 31 December 2024	1.365	27 March 2025	28 March 2025	on or around 11 April 2025

POWERS OF THE DIRECTORS

The powers given to the Directors are contained within the current articles of association of the Company (the 'Articles'), which are subject to relevant legislation and, in certain circumstances (including in relation to the issuing or buying back by the Company of its shares), are subject to the authority being given to the Directors by shareholders in general meetings.

The Articles govern the appointment and replacement of Directors.

DIRECTORS' INDEMNITY

The Group has indemnified the Directors against certain liabilities which may be incurred in the course of their duties. This indemnity remains in force as at the date of this report and will also indemnify any new directors that join the Board. The Company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against the Directors.

FINANCIAL RISK MANAGEMENT

The information relating to the Group's financial risk management and policies can be found in Note 33 of the financial statements.

POST-BALANCE SHEET EVENTS

Important events that have occurred since the end of the financial year can be found in Note 34 of the financial statements.

AMENDMENT TO THE ARTICLES

The Articles may only be amended with shareholders' approval in accordance with relevant legislation.

SHARE CAPITAL

The Company was admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 8 August 2017 and migrated to trading on the Main Market on 27 March 2018.

As at 31 December 2024, the Company had 393,916,490 Ordinary Shares in issue, 450,000 of which were held in treasury, as can be found in Note 22 of the financial statements. The shares held in treasury do not carry any voting rights and therefore the total number of voting rights in the Company is 393,466,490. There are no restrictions on voting rights of securities in the Company.

There are no restrictions on the transfer of securities in the Company other than certain restrictions which may be impaired by law, for example, the Market Abuse Regulations, and the Group's Share Dealing Code.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company. There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

As a REIT, the Company's Ordinary Shares will be 'excluded securities' under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

PURCHASE OF OWN ORDINARY SHARES

At the Company's Annual General Meeting on 16 May 2024, the Company was granted authority to make market purchases up to a maximum of 39,346,649 Ordinary Shares.

As at the date of this report, 450,000 Ordinary Shares were purchased during 2019 in the market and held in treasury and 9,322,512 Ordinary Shares were purchased during 2023 in the market and cancelled. A resolution to provide the Company with the authority to purchase shares, in accordance with the Notice of AGM, will be put to the shareholders at the Annual General Meeting on 19 May 2025. The Company is requesting the authority to make market purchases up to a maximum of 58,980,626 Ordinary Shares (approximately 14.99% of the Company's issued ordinary share capital excluding shares held in treasury). This is in line with other UK REITs.

CHANGE OF CONTROL

Under the Group's financing facilities, any change of control at the borrower or immediate parent company level may trigger a repayment of the outstanding amounts to the lending banks. In certain facilities, the change of control provisions also include a change of control at the ultimate parent company level.

The Directors do not receive compensation for loss of office occurring due to a change of control.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

The Board is cognisant of the impact of the Group's operations on emissions. The Group voluntarily discloses a full GHG inventory (covering all relevant scopes and categories of emissions) within the sustainability report, further information on page 39.

In relation to the Streamlined Energy and Carbon Reporting (SECR), implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, for the year ended 31 December 2024 the Group is considered to be a low energy user, (<40,000kWh) and therefore falls below the threshold to produce an energy and carbon report.

MAJOR SHAREHOLDINGS

In accordance with DTR 5, the Company was advised of the following significant direct and indirect interests in the issued ordinary share capital of the Company as at 31 December 2024.

Shareholder	Interests in Ordinary Shares	% holding disclosed
East Riding of Yorkshire Council	32,879,797	9.36%
Investec Wealth & Management Limited	28,892,160	8.22%
Nottinghamshire County Council Pension Fund	19,417,475	5.53%
BlackRock, Inc.	–	Below 5.00%
Rathbones Investment Management Ltd	19,633,731	4.9899%
Evelyn Partners Investment Management Services	19,892,781	4.93%
Smith and Williamson Holdings Limited	11,788,972	4.78%
Brewin Dolphin Limited	16,032,858	4.56%
IntegraFin Holdings plc	15,646,379	3.9809%
Legal & General Group Plc (Group)	12,227,217	3.03%

Information provided to the Company pursuant to DTR 5 is available via the Regulatory News section on the Group's website.

CONTRACTS OF SIGNIFICANCE

There are no contracts of significance of the Company or a subsidiary in which a Director is or was materially interested or to which a controlling shareholder was a party.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware.

The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RELATED PARTY TRANSACTIONS

Related Party transactions during the year ended 31 December 2024 can be found in Note 31 of the financial statements.

RESEARCH AND DEVELOPMENT

No expenditure on research and development was made during the year (2023: Nil).

DONATIONS AND CONTRIBUTIONS

No political or charitable donations were made during the year (2023: Nil).

BRANCHES OUTSIDE THE UK

There are no branches of the business located outside the UK.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 19 May 2025 at 3.00pm at 1 Bishops Square, London, E1 6AD.

INFORMATION INCLUDED IN THE STRATEGIC REPORT

The information that fulfils the reporting requirements relating to the following matters can be found on the pages identified.

Subject matter	Page reference
Likely future developments	4 to 6
Employee engagement	92
Employment of disabled persons	92
Business relationships	157

On behalf of the Board:

Chris Phillips
Chair

21 March 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' RESPONSIBILITIES PURSUANT TO DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

The Directors also confirm, to the best of their knowledge, that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

APPROVAL

This Directors' responsibilities statement was approved by the Board of Directors and signed on its behalf by:

Chris Phillips
Chair

21 March 2025

INDEPENDENT AUDITOR'S REPORT

to the members of Social Housing REIT plc (formerly Triple Point Social Housing REIT plc)

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Social Housing REIT plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024, which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of material and significant accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

INDEPENDENCE

Following the recommendation of the Audit Committee, we were appointed by the Directors on 18 July 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is eight years, covering the years ended 31 December 2017 to 31 December 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Using our knowledge of the Group and its market sector, together with the current economic environment, to assess the Directors' identification of the inherent risks to the Group's and the Parent Company's business and how these might impact the Group's and the Parent Company's ability to remain going concern for the going concern period of at least twelve months from when the financial statements are authorised for issue.

- Obtaining the going concern model from the Directors, and challenging the assumptions used by the Directors in the going concern forecast. This included assumptions around expected capital expenditures, the movements in investment property valuations, movements in the Group's level of borrowings and the associated interest, rental income increases and the level of cash collections. We obtained evidence, where available, to support inputs into the model.
- Testing the arithmetical accuracy of the going concern model.
- Challenging the sensitivities applied by the Directors to the model, including non payment of rent from one registered provider and a fall in revenue in the event lessees are unable to meet rent payments in relation to vacant units, as well as a corresponding fall in property valuations. We challenged assumptions made by the Directors on these stress-tested models, specifically with regards to:
  - i. The expected impact on investment property valuations;
  - ii. The expected impact on rental income;
  - iii. The impact on the Group's covenant compliance; and
  - iv. The reasonableness of the assumptions used in the stress tests.
- Performing an analysis of the headroom of the Group's ability to meet their day to day operational costs in the stress tested forecasts.
- Performing an analysis of the covenant compliance and the headroom and considered these in light of our own further stress tests.
- Considering board minutes, and evidence obtained through the audit and challenging the Directors on the identification of any contradictory information in the forecasts and the resultant impact to the going concern assessment.
- Reviewing the post year end rent receipts for trade debtors as at 31 December 2024 to assess the financial position of tenants.
- Reviewing the disclosures in the financial statements relating to going concern to ensure that the disclosures are consistent with the circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Parent Company's ability to continue as going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

Coverage	100% (2023: 100%) of Group investment property 100% (2023: 100%) of Group total assets 100% (2023: 99.9%) of Group revenue 100% (2023: 100%) of Group loss before tax
Key audit matters	see table below
Materiality	Group financial statements as a whole £6,600,000 (2023: £7,130,000) based on 1% (2023: 1%) of total assets.

Key audit matters:

	2024	2023
Valuation of investment properties	✓	✓

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom in one segment, investment property, structured through a number of subsidiaries. The Group is a single component as it invests only in UK social housing properties with a single finance team and a common IT system and internal control framework. The Group audit engagement team performed full scope audits in order to issue the Group and Parent Company audit opinion, including undertaking all of the audit work on the risks of material misstatement identified in the key audit matters section below.

CLIMATE CHANGE

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of the Investment Manager and the Group's independent property valuer to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements including adequate disclosure of climate-related risks within the annual report.
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector and property asset class.
- Consultation with our Climate and Sustainability team in evaluating the Investment Manager's risk assessment.
- Review of the minutes of Board, Audit Committee meetings and Sustainability & Impact Committee and other papers related to climate change and performing a risk assessment as to how the impact of the Group's risk assessment as set out in the TCFD Disclosure section and the Sustainability & Impact Committee Report may affect the financial statements and our audit.
- Challenge of the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments, have been reflected, where appropriate, in the going concern assessment and viability assessment.
- Assessing the consistency of Management's disclosures included as 'Statutory Other Information' within the Strategic Report with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investment properties Refer to notes 3.1 and 4.1 in relation to significant estimates and accounting policies. Refer to note 14 in relation to investment properties.	The Group's investment property portfolio is made up of standing assets that are existing properties currently let. They are valued using the income capitalisation method. This method is applied to income producing assets and discounts the future value of rents by an appropriate discount rate. The Directors use an independent valuer to assist them with the valuation of the property portfolio. The valuation of investment property requires significant judgement and estimates by the Directors and the independent valuer and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation. Any input inaccuracies or unreasonable bases used in the valuation judgements (such as in respect of expected rental value and yield profile applied) could result in a material misstatement of the financial statements. There is also a risk that the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets to meet market expectations. This could be achieved through manipulation of information provided to the valuer. For these reasons we considered the investment property valuations to be a key audit matter.	**Experience of valuer and relevance of their work** ○ We obtained the valuation report prepared by the independent valuer and with the assistance of BDO in-house RICS qualified valuation experts, we discussed the basis of the valuations with them, read the valuation reports and confirmed that all valuations had been prepared in accordance with applicable valuation guidelines and the requirements of the applicable accounting standards and were therefore appropriate for determining the fair value of the Group's investment properties. ○ We assessed the independent valuer's competency, qualifications, independence and objectivity. ○ We obtained a copy of the instructions provided by the Investment Manager to the independent valuer and reviewed for any limitations in scope or for evidence of Management bias. **Data provided to the valuer** ○ We validated the underlying data provided by the Investment Manager to the independent valuer. This data included inputs such as current rent and lease term, which we agreed on a sample basis to the executed lease agreements as part of our audit work. **Assumptions and estimates used by the valuer** ○ With assistance from BDO in-house RICS qualified valuation experts, we developed yield expectations on each property using available independent industry data, reports and comparable transactions in the market around the year end in advance of receiving the valuation report from the independent valuer. ○ BDO in-house RICS qualified valuation experts also attended the meetings with the Group's valuers to assist us in assessing whether explanations and evidence provided were appropriate and in line with market knowledge. ○ We compared the key valuation assumptions against our independently formed market expectations (by reference to market data based on the location and specifics of each property and tenant). ○ We discussed the assumptions used and the valuation movement in the year with both the Investment Manager, Chair of the Audit Committee and the independent valuer. Where the valuation was outside of our expected range we challenged the independent valuer on specific assumptions and reasoning for the yields applied and corroborated their explanations where relevant, including agreeing to third party documentation. Further, we challenged the appropriateness of the discount rates or yields applied to the valuations with the valuer and where possible obtained evidence of comparable market transactions through independent sources. **Related disclosures in the financial statements** ○ We reviewed the appropriateness of the Group's disclosures within the financial statements in relation to the valuation methodology, key valuation assumptions and valuation sensitivity analysis. **Key observations** ○ Based on our work we consider the estimates and assumptions adopted in the year end valuation of the Group's investment properties were reasonable and the methodology applied was appropriate.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Materiality	6.60	7.13	4.00	4.09
Basis for determining materiality	1% of total assets	1% of total assets	1% of total assets	0.9% of total assets
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be the principal consideration for the users of the financial statements in assessing the financial performance of the Group and Parent Company.			
Performance materiality	4.95	5.35	3.00	3.07
Basis for determining performance materiality	Performance materiality is set at an amount to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessment, together with our assessment of the Group's and Parent Company's overall control environment, our judgement was that performance materiality should be 75% (2023: 75%) of materiality.			
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including our assessment of the Group's and Parent Company's overall control environment and the expected total value of known and likely misstatements based on past experience.			

SPECIFIC MATERIALITY

We also determined that for other account balances and classes of transactions that impact the calculation of European Public Real Estate Association ("EPRA") earnings a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. We consider EPRA earnings to be a key performance measure of the Group. EPRA earnings excludes the impact of the net surplus on revaluation of investment properties as well as other non-operating and exceptional items. As a result, we determined materiality for these items to be £1,000,000 (2023: £975,000), based on 5% of EPRA earnings (2023: 5% of EPRA earnings). We further applied a performance materiality level of 75% (2023: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £330,000 (2023: £356,000) and for those items impacting the calculation of EPRA earnings £50,000 (2023: £48,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CORPORATE GOVERNANCE STATEMENT

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	○ The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on pages 62 to 63; and ○ The Directors' explanation as to their assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate, set out on page 63.
Other Code provisions	○ Directors' statement on fair, balanced and understandable, set out on page 102; ○ Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 56 to 61; ○ The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 81; and ○ The section describing the work of the Audit Committee, set out on page 80.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: ○ the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and ○ the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: ○ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or ○ the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or ○ certain disclosures of Directors' remuneration specified by law are not made; or ○ we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT

to the members of Social Housing REIT plc (formerly Triple Point Social Housing REIT plc)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with the Investment Manager, the Audit Committee and those charged with governance;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, UK tax legislation (including the REIT regime requirements) and the UK Listing Rules, and we considered the extent to which non-compliance might have a material effect on the Group financial statements.

Our procedures in response to the above included:

- In order to address the risk of non-compliance with the REIT regime, considering a report from the Group's external adviser, detailing the actions that the Group has undertaken to ensure compliance. This paper was reviewed, and the assumptions challenged, with the assistance of our own internal tax expert;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of legal expenditure accounts to understand the nature of expenditures incurred;
- Agreeing the financial statement disclosures to underlying supporting documentation where relevant; and
- Review of Board and Committee meeting minutes and enquiries with the Investment Manager and the Directors for any known or suspected instances of non-compliance with laws and regulations.

IRREGULARITIES INCLUDING FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Audit Committee and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be investment property valuations and management override of controls.

Our procedures in response to the above included:

- Addressing the risk of management override of controls by testing journal entries which met a defined risk criteria and a sample of journal entries from the residual population processed during the year, agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager or the Directors that represented a risk of material misstatement due to fraud;
- Our responses to the valuation of investment properties risk are set out in the key audit matters section above; and
- We also addressed the risk of management override of controls by evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

to the members of Social Housing REIT plc (formerly Triple Point Social Housing REIT plc)

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

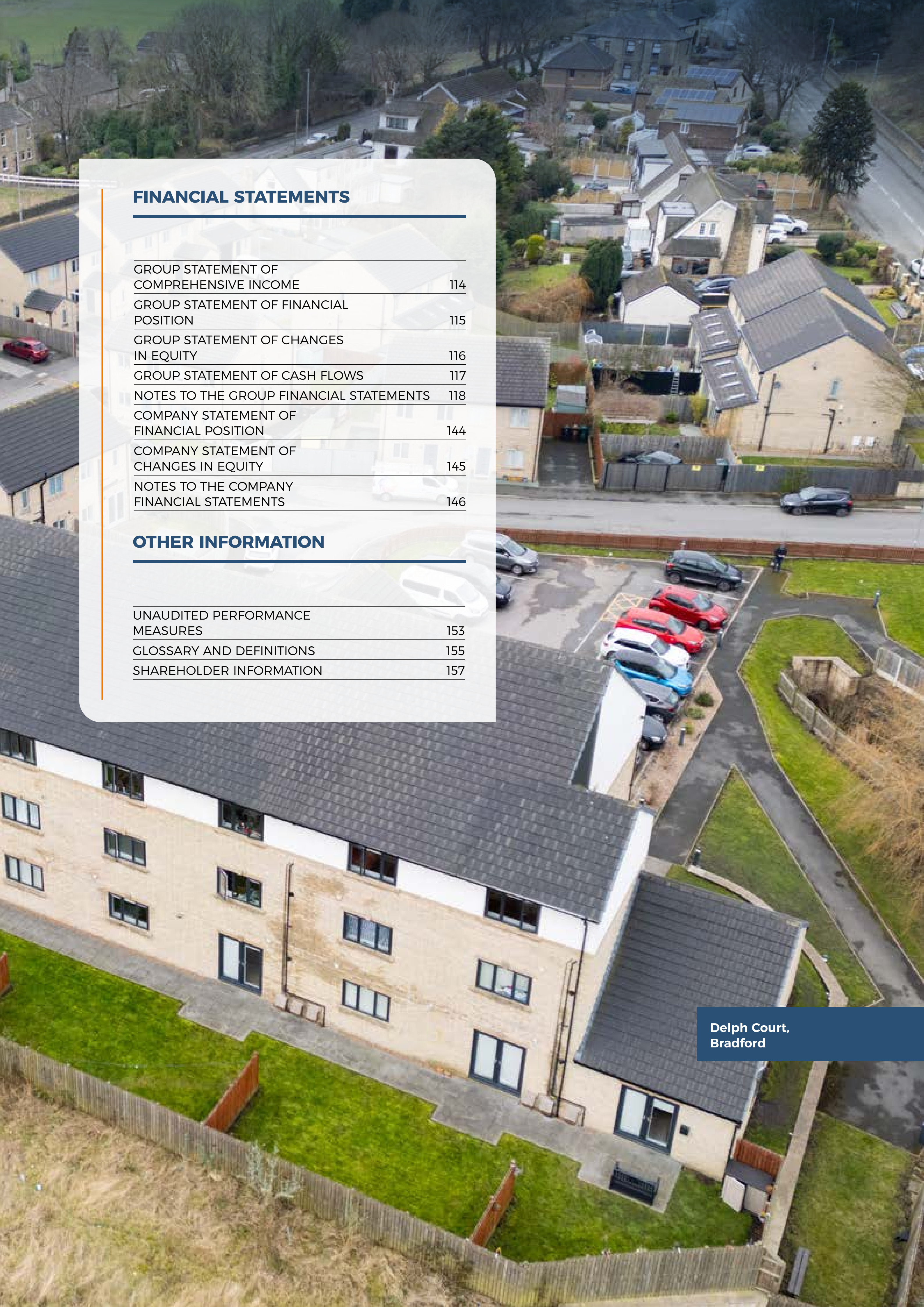
Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

21 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

OTHER INFORMATION



Delph Court,
Bradford

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Income			
Rental income	5	39,072	39,839
Expected credit loss	5	(3,329)	(4,593)
Insurance charge income	5	713	–
Insurance charge expense	5	(713)	–
Other income	5	106	–
Total income		**35,849**	**35,246**
Expenses			
Directors' remuneration	6	(307)	(312)
General and administrative expenses	9	(3,556)	(3,245)
Management fees	8	(7,814)	(4,651)
Total expenses		**(11,677)**	**(8,208)**
(Loss)/Gain from fair value adjustment on investment properties	14	(53,030)	15,477
Operating (loss)/profit		**(28,858)**	**42,515**
Finance income	11	148	52
Finance costs	12	(7,679)	(7,578)
(Loss)/Profit for the year before tax		**(36,389)**	**34,989**
Taxation	13	–	–
(Loss)/Profit and total comprehensive income for the year		**(36,389)**	**34,989**
IFRS earnings per share – basic and diluted	36	**(9.25)p**	**8.81p**

The accompanying notes on pages 118 to 143 form an integral part of these Group Financial Statements.

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Assets			
Non-current assets			
Investment properties	14	624,695	675,497
Trade and other receivables	15	3,306	4,233
Total non-current assets		**628,001**	**679,730**
Current assets			
Trade and other receivables	16	3,315	3,864
Cash, cash equivalents and restricted cash	17	27,492	29,452
Total current assets		**30,807**	**33,316**
Total assets		**658,808**	**713,046**
Liabilities			
Current liabilities	18	6,095	2,722
Trade and other payables		**6,095**	**2,722**
Total current liabilities			
Non-current liabilities			
Other payables	19	1,528	1,524
Bank and other borrowings	20	261,441	261,183
Total non-current liabilities		**262,969**	**262,707**
Total liabilities		**269,064**	**265,429**
Total net assets		**389,744**	**447,617**
Equity			
Share capital	22	3,940	3,940
Share premium reserve	23	203,753	203,753
Treasury shares reserve	24	(378)	(378)
Capital redemption reserve	25	93	93
Capital reduction reserve	25	155,359	155,359
Retained earnings	26	26,977	84,850
Total equity		**389,744**	**447,617**
IFRS net asset value per share – basic and diluted	37	**99.05p**	**113.76p**

The Group Financial Statements were approved and authorised for issue by the Board on 21 March 2025 and signed on its behalf by:

Chris Phillips
Chair
21 March 2025

The accompanying notes on pages 118 to 143 form an integral part of these Group Financial Statements.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Year ended 31 December 2024	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**84,850**	**447,617**
Loss and total comprehensive income for the year		–	–	–	–	–	(36,389)	**(36,389)**
Transactions with owners								
Dividends paid	27	–	–	–	–	–	(21,484)	**(21,484)**
Balance at 31 December 2024		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**26,977**	**389,744**

Year ended 31 December 2023	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		**4,033**	**203,753**	**(378)**	**–**	**160,394**	**71,483**	**439,285**
Profit and total comprehensive income for the year		–	–	–	–	–	34,989	**34,989**
Transactions with owners								
Dividends paid	27	–	–	–	–	–	(21,622)	**(21,622)**
Shares repurchased	25	(93)	–	–	93	(5,035)	–	**(5,035)**
Balance at 31 December 2023		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**84,850**	**447,617**

The accompanying notes on pages 118 to 143 form an integral part of these Group Financial Statements.

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flows from operating activities			
(Loss)/profit before income tax		(36,389)	34,989
Adjustments for:			
Expected credit loss		3,329	4,593
Loss/(gain) from fair value adjustment on investment properties		53,030	(15,477)
Finance income		(148)	(52)
Finance costs		7,679	7,578
Operating results before working capital changes		**27,501**	**31,631**
Increase in trade and other receivables		(1,853)	(5,528)
Increase/(decrease) in trade and other payables		3,421	(240)
Net cash generated from operating activities		**29,069**	**25,863**
Cash flows from investing activities			
Capital expenditure on investment properties		(2,271)	67
Disposal proceeds from sale of assets (net of transaction costs)		–	7,472
Restricted cash movement		(155)	5
Interest received		103	8
Net cash (used in)/generated from investing activities		**(2,323)**	**7,552**
Cash flows from financing activities			
Interest paid		(7,348)	(7,228)
Shares repurchased (including transaction costs)	25	–	(5,035)
Loan arrangement fees paid	21	(29)	(212)
Dividends paid	27	(21,484)	(21,622)
Net cash used in financing activities		**(28,861)**	**(34,097)**
Net decrease in cash and cash equivalents		(2,115)	(682)
Cash and cash equivalents at the beginning of the year		29,014	29,696
Cash and cash equivalents at the end of the year	17	**26,899**	**29,014**

The accompanying notes on pages 118 to 143 form an integral part of these Group Financial Statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE INFORMATION

Social Housing REIT plc (the "Company") is a Real Estate Investment Trust ("REIT") incorporated in England and Wales under the Companies Act 2006 as a public company limited by shares on 12 June 2017. The address of the registered office is The Scalpel 18th Floor, 52 Lime Street, United Kingdom, EC3M 7AF. The Company is registered as an investment company under section 833 of the Companies Act 2006 and is domiciled in the United Kingdom.

The Company was formerly known as Triple Point Social Housing REIT plc, its name was changed to Social Housing REIT plc on 24 December 2024.

The principal activity of the Company and its subsidiaries (the "Group") is to provide shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of social homes.

2. BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. All accounting policies have been applied consistently.

The Group's Financial Statements have been prepared on a historical cost basis, as modified for the Group's investment properties, which have been measured at fair value. Gains or losses arising from changes in fair values are included in profit or loss.

The preparation of financial statements in compliance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in note 3.

2.1. GOING CONCERN

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 92.6% of rental income due and payable for the year ended 31 December 2024 has been collected, rent arrears are predominantly attributable to one Approved Provider, My Space Housing Solutions.

The Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, for the period up to 30 June 2026. The Directors have considered the expected obligations of the Group during this period and are confident that all will be met.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and MetLife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table below. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants is remote. The Group has adhered to all these covenants throughout the year and is also expected to comfortably meet these covenants over the next twelve months.

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover (ACR)		
Asset Cover Ratio Covenant	**x2.00**	x1.67
Asset Cover Ratio 31 December 2024	**x2.49**	x2.01
Blended Net initial yield	**6.59%**	6.23%
Headroom (yield movement)	**149bps**	119bps
Interest Cover (ICR)		
Interest Cover Ratio Covenant	**1.75x**	1.75x
Interest Cover Ratio 31 December 2024	**4.78x**	4.28x
Headroom (rental income movement)	**63%**	56%

Under the downside model the forecasts have been stressed to show the effect of some lessees ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases. The assumptions for the amount of rent paid by two Approved Providers have been sensitised, one of whom has built up significant arrears and one to whom leases were transferred during 2024. Under the downside model the Group will be able to settle its liabilities for the period to 30 June 2026. As a result of the above, the Directors are of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

The Group has no short or medium-term refinancing risk given the 8.6-year weighted average maturity of its long-term debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

Having reviewed and considered the forecasts prepared, the Directors consider that the Group has adequate resources in place and will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements and have therefore adopted the going concern basis of accounting in preparing these financial statements.

2.2. CURRENCY

The Group financial information is presented in Sterling which is also the Group's functional currency.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of related assets and liabilities within the next financial year are outlined below:

ESTIMATES:

3.1. INVESTMENT PROPERTIES

The Group uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and the appropriate discount rate. The valuers also refer to market evidence of transaction prices for similar properties. Further information is provided in note 14.

The Group's properties have been independently valued by Jones Lang LaSalle Limited ("JLL" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Global Standards (commonly known as the "Red Book"). JLL is one of the most recognised professional firms within social housing valuation and has sufficient current local and national knowledge of both social housing in general and Specialist Supported Housing and has the skills and understanding to undertake the valuations competently.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

With respect to the Group's Financial Statements, investment properties are valued at their fair value at each Statement of Financial Position date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Given the bespoke nature of each of the Group's investments, all of the Group's investment properties are included in Level 3 with the inputs included in note 14.

Level 1 – Unadjusted, quoted prices for identical assets and liabilities in active (typically quoted) markets;

Level 2 – Quoted prices for similar assets and liabilities in active markets; and

Level 3 – External inputs are "unobservable". Value is the Director's best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and a determination of which assumptions should be applied in valuing such assets and with particular focus on the specific attributes of the investments themselves.

3.2. EXPECTED CREDIT LOSSES (ECL)

The Group recognised an additional ECL provision of £3.3 million in the current year (2023: £4.6 million) resulting in a total ECL provision of £8.0 million as at 31 December 2024 (31 Dec 2023: £6.7 million) which entirely relates to rental and recharge arrears for one of the Group's Approved Providers (2023: entire rental arrears for two of the Group's Approved Providers). The £6.7 million ECL provision as at 31 December 2023 included an amount of £2.0 million in respect of rents due from Parasol. This was fully written off in the current year, when the leases were reassigned to Westmoreland. A default probability for each of the Approved Providers, representing the estimated percentage likelihood of them paying outstanding rent due at year end, was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. For each provider the estimated probability percentage of receiving unpaid rent has been multiplied by the rental and recharge arrears as at the statement of financial position date. The figure has been aggregated to arrive at the ECL provision. The expected credit loss for the current year relates wholly to one tenant (2023: two tenants).

JUDGEMENTS:

3.3. LEASES INCENTIVE DEBTOR

The lease incentive debtor recognised from rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances. The credit risk associated with each tenant is considered in the determination of the fair value of the related property. In the current year, the income recognised in respect of such rent smoothing amounted to £1,018,000 (2023: £1,500,000), this amount is stated before the impact of the £1,984,000 that has been written off in respect of the Parasol leases which were reassigned during the year.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1. INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. The Group recognises asset acquisitions on legal completion. After initial recognition, investment property is stated at its fair value at the Statement of Financial Position date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the Statement of Comprehensive Income. Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be obtained from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recorded in profit or loss in the period in which the property is derecognised.

Significant accounting judgements, estimates and assumptions made for the valuation of investment properties are discussed in note 3.

4.2. LEASES

LESSOR

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group has determined that it retains all the significant risks and rewards of ownership of the properties it has acquired to date and accounts for the contracts as operating leases.

Properties leased out under operating leases are included in investment properties in the Statement of Financial Position. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant leases. Tenant lease incentives are not subject to expected credit loss provision under IFRS 9 as the Group does not have unconditional right to collect cash flows relating to these assets but do impact the carrying amounts of the related investment properties as at the statement of financial position date. Therefore, a lease incentive debtor is recognised based on the smoothing of rent-free periods granted such that the rental income from operating leases is recognised on a straight-line basis over the lease term. The lease incentive debtor recognised from such rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances, although the credit risk is considered in the determination of the fair value of the related property.

LESSEE

As a lessee the Group recognises a right-of-use asset within investment properties and a lease liability for all leases, which is included within other payables (notes 18 and 19). The lease liabilities are measured at the present value of the remaining lease payments, discounted using an appropriate discount rate at inception of the lease or on initial recognition. The discount rate applied by the Group is the incremental borrowing rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

As leasehold properties meet the definition of investment property, the right-of-use assets are presented within investment properties (note 14), and after initial recognition are subsequently measured at fair value.

SUB-LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the underlying property asset to the lessee. Sub-leases of leasehold properties are classified with reference to the right-of-use asset arising from the head lease. All other leases are classified as operating leases.

4.3. RENT AND OTHER RECEIVABLES

Rent and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets.

Rent receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions for current and non-current rent receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables. Rent receivables are reported net of the ECL provision and the movement in the provision is recognised in the Group statement of comprehensive income. On confirmation that the rent receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impairment provisions for all other receivables are recognised based on a forward-looking expected credit loss model using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

4.4. BANK AND OTHER BORROWINGS

Bank borrowings and the Group's loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

4.5. TAXATION

Taxation on the element of the profit or loss for the period that is not exempt under UK REIT regulations would be comprised of current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movement in equity, in which case it is recognised as a direct movement in equity. Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

4.6. DIVIDENDS PAYABLE TO SHAREHOLDERS

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

4.7. RENTAL INCOME

Rental income from investment property is recognised on a straight-line basis over the term of ongoing leases and is shown gross of any UK income tax. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, where the Directors are reasonably certain that the rental uplift will be agreed.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease and are not subjected to an expected credit loss provision under IFRS 9. These are recognised within trade and other receivables on the Statement of Financial Position.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease, but once the practical completion has taken place the formal lease is signed at which point rental income commences to be recognised in the Statement of Comprehensive Income.

4.8. FINANCE INCOME AND FINANCE COSTS

Finance income is recognised as interest accrues on cash balances held by the Group. Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings. These costs are expensed in the period in which they occur. Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

4.9. INVESTMENT MANAGEMENT FEES

Investment management fees are recognised in the Statement of Comprehensive Income on an accrual basis.

4.10. TREASURY SHARES

Consideration paid or received for the purchase or sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

5. RENTAL AND OTHER INCOME

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Rental income – freehold assets	36,709	37,473
Rental income – leasehold assets	2,363	2,366
	39,072	**39,839**
Expected credit loss	(3,329)	(4,593)
Insurance charge income	713	–
Insurance charge expense	(713)	–
Other income	106	–
	35,849	**35,246**

The lease agreements between the Group and the Approved Providers are fully repairing and insuring leases. The Approved Providers are responsible for the settlement of all present and future rates, taxes, costs and other impositions payable in respect of the properties. As a result, no direct property expenses were incurred.

All rental income arose within the United Kingdom.

The expected loss rates are based on the Group's credit losses which started to occur during the year ended 31 December 2022 for the first time since IPO. The expected loss rates are then adjusted for current and forward-looking information affecting the Group's tenants. The expected credit loss for the current year relates wholly to one tenant (2023: two tenants).

The movement in the expected credit loss provision during the year has been set out below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Opening expected credit loss provision	(6,666)	(2,073)
Increase in provision for My Space Housing	(3,329)	(2,962)
Increase in provision for Parasol	–	(1,631)
Write off of Parasol debtor	1,974	–
Closing expected credit loss provision	**(8,021)**	**(6,666)**

6. DIRECTORS' REMUNERATION

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Directors' fees	275	280
Employer's National Insurance Contributions	32	32
	307	**312**

The Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum (2023: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2023: £50,000). The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company. Each Director was paid this additional fee in 2020 following the publication of the prospectus, but no additional fees were paid during 2024 or 2023. A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report within the Corporate Governance Report. None of the Directors received any advances or credits from any group entity during the year.

7. PARTICULARS OF EMPLOYEES

The Group and Company had no employees during the year other than the Directors (2023: none).

8. MANAGEMENT FEES

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Management fees	4,651	4,651
Termination fees	3,163	–
	7,814	**4,651**

On 20 July 2017 Triple Point Investment Management LLP (TPIM) was appointed as the delegated investment manager of the Company by entering into the property management services and delegated portfolio management agreement. Under this agreement the delegated investment manager will advise the Company and provide certain management services in respect of the property portfolio. A Deed of Variation was signed on 23 August 2018. This defined cash balances in the Net Asset Value calculation in respect of the management fee as "positive uncommitted cash balances after deducting any borrowings". The management fee is an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published Net Asset Value of the Group (not taking into account uncommitted cash balances after deducting borrowings as described above) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

- on that part of the Net Asset Value up to and including £250 million, an amount equal to 1% of such part of the Net Asset Value;
- on that part of the Net Asset Value over £250 million and up to and including £500 million, an amount equal to 0.9% of such part of the Net Asset Value;
- on that part of the Net Asset Value over £500 million and up to and including £1 billion, an amount equal to 0.8% of such part of the Net Asset Value; and
- on that part of the Net Asset Value over £1 billion, an amount equal to 0.7% of such part of the Net Asset Value.

Management fees of £4,651,000 (2023: £4,651,000) were chargeable by TPIM during the year. At the year-end £1,151,000 (2023: £1,180,000) was due to TPIM, the amount was settled in early January 2025.

By two agreements dated 30 June 2020, the Company appointed TPIM as its Alternative Investment Fund Manager ('AIFM') by entering into an Alternative Investment Fund Management Agreement and (separately) documented TPIM's continued appointment as the provider of portfolio and property management services by entering into an Investment Management Agreement.

The terms of both the Investment Management Agreement and the AIFM Agreement between the Company and TPIM provided for a termination period of 12 months. An agreement was reached to terminate both the contracts with effect from 31 December 2024 and to pay early termination fees. These fees totalled £3.343 million (£3.163 million in respect of Investment Management and £0.18 million in respect of the AIFM) and was structured in two tranches. This was in addition to the regular quarterly fees.

The AIFM termination fee of £0.18 million is included within General and Administrative expenses as set out in note 9.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Legal and professional fees	1,356	972
Marketing costs	471	466
Audit fees	429	400
AIFM fees	233	216
AIFM termination fees	180	–
Administration and secretarial fees	319	318
Lease transfer costs	271	11
Property costs	148	579
Other administrative expenses	149	283
	3,556	**3,245**

On 1 October 2019 Hanway Advisory Limited, which was associated with Triple Point Investment Management LLP ("TPIM") the delegated investment manager at the time, were appointed to provide Administration and Company Secretarial Services to the Group. Within Administration Fees is an amount of £319,000 (2023: £318,000) for Administration and Company Secretarial Services chargeable by Hanway Advisory Limited. Hanway Advisory Limited was sold to JTC (UK) Limited on 1 July 2024 and ceased to be associated with TPIM from that date.

The audit fees in the table above are inclusive of VAT, and therefore differ to the fees in note 10 which are reported net of VAT.

On 30 June 2020 TPIM was appointed as the fund's Alternative Investment Fund Manager (AIFM) to perform certain functions for the Group. During the year AIFM services of £233,000 (2023: £216,000) were chargeable by TPIM, £180,000 of this amount relates to termination fees. At the year-end £238,000 (2023: £53,000) was due to TPIM. As described in note 8, as part of the change in investment manager, an early termination fee of £180,000 was agreed between the Company and TPIM in addition to the usual quarterly AIFM fees.

10. AUDIT FEES

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Group audit fees – current year	280	259
Subsidiary audit fees	34	33
	314	**292**

Non audit fees paid to BDO LLP included £42,500 (2023: £40,000) in relation to the half year interim review.

The audit fee for the following subsidiaries has been borne by the Company:

- TP REIT Super Holdco Limited
- TP REIT Holdco 1 Limited
- TP REIT Holdco 2 Limited
- TP REIT Holdco 3 Limited
- TP REIT Holdco 4 Limited
- TP REIT Holdco 5 Limited
- Norland Estates Limited
- TP REIT Propco 2 Limited
- TP REIT Propco 3 Limited
- TP REIT Propco 4 Limited
- TP REIT Propco 5 Limited

11. FINANCE INCOME

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Other interest income	148	52
	148	**52**

12. FINANCE COSTS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Interest payable on bank borrowings	7,217	7,217
Amortisation of loan arrangement fees	287	307
Lender valuation fees	121	–
Head lease interest expense	44	44
Bank charges	10	10
	7,679	**7,578**
Total finance cost for financial liabilities not measured at fair value through profit or loss	**7,669**	**7,568**

Under the terms of the debt facilities the lenders require an annual independent valuation to be undertaken at the Company's expense. The cost of these valuations is set out above.

13. TAXATION

As a UK REIT, the Group is exempt from corporation tax on the profits and gains from its property investment business, provided it meets certain conditions as set out in the UK REIT regulations. For the year ended 31 December 2024, the Group did not have any non-qualifying profits and accordingly there is no tax charge in the period. If there were any non-qualifying profits and gains, these would be subject to corporation tax. It is assumed that the Group will continue to be a group UK REIT for the foreseeable future, such that deferred tax has not been recognised on temporary differences relating to the property rental business.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Current tax		
Corporation tax charge for the year	–	–
Total current income tax charge in the profit or loss	**–**	**–**

The tax charge for the year is less than the standard rate of corporation tax in the UK of 25% (2023: 25%). The differences are explained below.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
(Loss)/profit for the year before tax	(36,389)	34,989
Tax at UK corporation tax standard rate of 25%	(9,098)	8,747
Change in value of investment properties	13,258	(3,969)
Disposal of investment property	–	100
Exempt REIT income	(5,194)	(5,707)
Amounts not deductible for tax purposes	35	49
Unutilised residual current year tax losses	999	780
	–	–

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of CTA 2010.

14. INVESTMENT PROPERTY

	Operational assets £'000
As at 1 January 2024	**675,497**
Acquisitions and additions*	2,221
Fair value adjustment	(53,027)
Movement in head lease ground rent liability	4
As at 31 December 2024	**624,695**
As at 1 January 2023	**667,713**
Acquisitions and additions*	(224)
Fair value adjustment	15,875
Movement in head lease ground rent liability	4
Transferred to Assets Held for Sale before disposal	(7,871)
As at 31 December 2023	**675,497**

* Additions in the table above differs to the total capital expenditure amount in the Group statement of cash flows due to retentions no longer payable which were credited to Investment Property additions.

Reconciliation to the Group Statement of Comprehensive Income ("SOCI"):	31 December 2024 £'000	31 December 2023 £'000
Fair value adjustment in note 14	(53,027)	15,875
Loss from fair value adjustments on assets held for sale	(3)	(284)
Loss on disposal	–	(114)
(Loss)/gain from fair value adjustments in SOCI	**(53,030)**	**15,477**

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. INVESTMENT PROPERTY CONTINUED

Reconciliation to independent valuation:

	31 December 2024 £'000	31 December 2023 £'000
Investment property valuation	626,351	678,358
Fair value adjustment – headlease ground rent	1,468	1,463
Fair value adjustment – lease incentive debtor	(3,124)	(4,324)
	624,695	**675,497**

The carrying value of leasehold properties at 31 December 2024 was £35.9 million (2023: £41.1 million).

In accordance with "IAS 40: Investment Property", the Group's investment properties have been independently valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited external valuer with recognised and relevant professional qualifications. The independent valuers provide their fair value of the Group's investment property portfolio every three months.

JLL were appointed as external valuers by the Board on 11 December 2017. JLL has provided valuations services to the Group. The proportion of the total fees payable by the Company to JLL's total fee income is minimal. Additionally, JLL has a rotation policy in place whereby the signatories on the valuations rotate after five years.

% KEY STATISTIC

The metrics below are in relation to the total investment property portfolio held as at 31 December 2024.

Portfolio metrics	31 December 2024	31 December 2023
Capital Deployed (£'000)*	576,804	574,827
Number of Properties	494	493
Number of Tenancies***	391	390
Number of Registered Providers***	28	27
Number of Local Authorities***	148	153
Number of Care Providers***	109	116
Valuation Net Initial Yield (NIY)**	6.22%	5.71%

* calculated excluding acquisition costs.
** calculated using IAS 40 valuations (excluding forward funding acquisitions).
*** calculated excluding forward funding acquisitions.

	31 December 2024		31 December 2023	
Region	***Cost £'000**	**% of funds invested**	***Cost £'000**	**% of funds invested**
North West	111,206	19.3	109,880	19.1
West Midlands	93,006	16.1	93,635	16.3
Yorkshire	87,103	15.1	87,148	15.2
East Midlands	63,979	11.1	63,979	11.1
North East	56,653	9.8	56,653	9.9
South East	54,366	9.4	53,674	9.3
London	49,626	8.6	49,626	8.6
South West	28,099	4.9	27,466	4.8
East	24,206	4.2	24,206	4.2
Scotland	5,900	1.0	5,900	1.0
Wales	2,660	0.5	2,660	0.5
Total	**576,804**	**100.0**	**574,827**	**100**

* excluding acquisition costs

FAIR VALUE HIERARCHY

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Investment properties	31 December 2024	624,695	–	–	624,695
Investment properties	31 December 2023	675,497	–	–	675,497

There have been no transfers between Level 1 and Level 2 during the year, nor have there been any transfers between Level 2 and Level 3 during the year.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards (commonly known as the "Red Book") by JLL, one of the leading professional firms engaged in the social housing sector.

As noted previously, all of the Group's investment properties are reported as Level 3 in accordance with IFRS 13 where external inputs are "unobservable" and value is the Directors' best estimate, based upon advice from relevant knowledgeable experts.

In this instance, the determination of the fair value of an investment property requires an examination of the specific merits of each property that are in turn considered pertinent to the valuation.

These include i) the regulated social housing sector and demand for the facilities offered by each Specialised Supported Housing property owned by the Group; ii) the particular structure of the Group's transactions where lessees at their own expense, meet the majority of the refurbishment costs of each property and certain purchase costs; iii) detailed financial analysis with discount rates supporting the carrying value of each property; iv) underlying rents for each property being subject to independent benchmarking and adjustment where the Group considers them too high (resulting in a price reduction for the purchase or withdrawal from the transaction); and v) a full repairing and insuring lease with annual indexation based on CPI or CPI+1% and effectively 25 years outstanding, in most cases with a Registered Provider itself regulated by the Regulator of Social Housing.

Descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

VALUATION TECHNIQUES: DISCOUNTED CASH FLOWS

The discounted cash flows model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate and lease incentive costs such as rent-free periods. The expected net cash flows are then discounted using risk-adjusted discount rates.

There are three main unobservable inputs that determine the fair value of the Group's investment property:

1. the rate of inflation as measured by CPI; it should be noted that all leases benefit from either CPI or RPI indexation;
2. the estimated rental value ('ERV') based on market conditions prevailing at the valuation date; and
3. the discount rate applied to the rental flows.

Key factors in determining the discount rates to assess the level of uncertainty applied include: the performance of the regulated social housing sector and demand for each Specialised Supported Housing property owned by the Group; costs of acquisition and refurbishment of each property; the anticipated future underlying cash flows for each property; benchmarking of each underlying rent for each property (passing rent); and the fact that all of the Group's properties have the benefit of full repairing and insuring leases entered into by a Housing Association.

All the properties within the Group's portfolio benefit from leases with annual indexation based upon CPI or RPI. A decrease in ERV would decrease the fair value. A decrease in discount rate would increase the fair value. The fair value measurement is based on the above items highest and best use, which does not differ from their actual use. The valuer also considers the resulting net initial yield for each property for appropriateness.

14. INVESTMENT PROPERTY CONTINUED

SENSITIVITIES OF MEASUREMENT OF SIGNIFICANT UNOBSERVABLE INPUTS

As set out within the significant accounting estimates and judgements in note 3, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature.

As a result, the following sensitivity analysis has been prepared:

AVERAGE DISCOUNT RATE, RENTAL VALUES AND RANGE:

	2024	2023
Range of discount rates	6.4%-10.4%	6.5%-10.0%
Average discount rate	7.6%	7.3%
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	£0.07m–£0.55m	£0.07m–£0.50m
Average of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	£0.1m	£0.1m
CPI/RPI increase over the term of the relevant leases	2.0%/2.5%	2.0%/2.5%

The tables below analyse the sensitivity on the fair value of investment properties for changes in discount rates and inflation rates. As a result of the indexation within the leases the inflation sensitivity captures the impact of changes to rental values.

	-1.0% change in Discount Rate £'000	+1.0% change in Discount Rate £'000	+0.5% change in CPI £'000	-0.5% change in CPI £'000
Changes in the IFRS fair value of investment properties				
As at 31 December 2024	**70,645**	**(59,690)**	**36,318**	**(33,639)**

	-0.5% change in Discount Rate £'000	+0.5% change in Discount Rate £'000	+0.25% change in CPI £'000	-0.25% change in CPI £'000
Changes in the IFRS fair value of investment properties				
As at 31 December 2023	38,653	(35,403)	19,143	(18,377)

The valuations have not been influenced by climate related factors due to there being little measurable impact on inputs at present.

Valuations have weakened generally, reflecting:

1. achieved market pricing for transactions which have occurred or are reasonably expected to occur for opportunities currently being marketed.
2. while the average ERV across the portfolio is consistent with the prior year, there is a softening of valuation assumptions relating to properties with challenging lessee situations within the portfolio (including My Space in particular), reflecting updated expectations on rent collection and longer-term achievable rent levels.
3. softening of discount rates.
4. adjustment of expectations regarding a number of properties, moving towards vacant possession value.

15. TRADE AND OTHER RECEIVABLES (NON-CURRENT)

	31 December 2024 £'000	31 December 2023 £'000
Lease incentive debtor	3,156	4,072
Other receivables	150	161
	3,306	**4,233**

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received in more than one year from the reporting date.

16. TRADE AND OTHER RECEIVABLES (CURRENT)

	31 December 2024 £'000	31 December 2023 £'000
Rent receivable	2,667	2,436
Lease incentive debtor	202	252
Prepayments	164	189
Other receivables	282	987
	3,315	**3,864**

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date.

The Group applies the general approach to providing for expected credit losses under IFRS 9 for rent and other receivables. Where the credit loss relates to revenue already recognised in the Statement of Comprehensive Income, the expected credit loss allowance is recognised in the Statement of Comprehensive Income. The Expected credit losses included trade and other receivables at 31 December 2024 is £8,021,000 (2023: £6,666,000) of which £3,329,000 (2023: £4,593,000) were charged to the Statement of Comprehensive Income in the year. An amount of £1,974,000 due from Parasol, which was fully impaired in the prior year, was written off in the current year (2023: nil). The net movement in the provision for expected credit loss in the current year is £1,355,000.

17. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2024 £'000	31 December 2023 £'000
Cash at bank	26,899	29,014
Restricted cash	593	438
	27,492	**29,452**

Restricted cash represents monies held in escrow in relation to the transfer of leases to be used for future costs.

	31 December 2024 £'000	31 December 2023 £'000
Total Cash, cash equivalents and restricted cash	27,492	29,452
Restricted cash	(593)	(438)
Cash reported on Group Statement of Cash Flows	**26,899**	**29,014**

18. TRADE AND OTHER PAYABLES

Current liabilities

	31 December 2024 £'000	31 December 2023 £'000
Trade payables	139	–
Accruals	5,522	2,270
Head lease ground rent (note 28)	40	40
Other creditors	394	412
	6,095	**2,722**

The Other Creditors balance consists of retentions due on completion of outstanding works and outstanding accrued acquisition costs. The Directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date. The £5.5 million accruals fees include £3.3 million of the termination fees payable to TPIM as set out in note 8. £2.9 million of these fees have been paid post year end.

19. OTHER PAYABLES

Non-current liabilities

	31 December 2024 £'000	31 December 2023 £'000
Head lease ground rent (note 28)	1,428	1,424
Rent deposit	100	100
	1,528	**1,524**

20. BANK AND OTHER BORROWINGS

Non-current liabilities

	31 December 2024 £'000	31 December 2023 £'000
Bank and other borrowings drawn at year end	263,500	263,500
Unamortised costs at beginning of the year	(2,317)	(2,412)
Less: loan issue costs incurred	(29)	(212)
Add: loan issue costs amortised	287	307
Unamortised costs at end of the year	(2,059)	(2,317)
Balance at year end	**261,441**	**261,183**

At 31 December 2024 there were undrawn bank facilities of £NIL (2023: £NIL).

As at 31 December 2024, the Group's borrowings comprised two debt facilities:

- a long dated, fixed rate, interest only financing arrangement in the form of a private placement of loan notes in an amount of £68.5 million with MetLife Investment Management (and affiliated funds); and
- £195.0 million long dated, fixed rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management clients and Barings.

LOAN NOTES

The Loan Notes of £68.5 million are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £170.0 million (2023: £192.0 million). The details of the notes are set out in the table below. At 31 December 2024, the Loan Notes have been independently valued at £59.0 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.170% 2028 Gilt (Tranche A) and Treasury 4.370% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All in rate	Independent Valuation
Tranche A	£41.5 million	40%	10 years	30 June 2028	2.924%	£37.4 million
Tranche B	£27.0 million	40%	15 years	30 June 2033	3.215%	£21.6 million
Blended Tranche A & B	**£68.5 million**	**40%**	**12 years**		**3.039%**	**£59.0 million**

In August 2021, the Group put in place Loan Notes of £195.0 million which enabled the Group to refinance the full £130.0 million previously drawn under its £160.0 million RCF with Lloyds and NatWest. The Loan Notes are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £392.0 million. The details of these notes is set out in the table below. At 31 December 2024, the Loan Notes have been independently valued at £143.8 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.290% 2031 Gilt (Tranche A) and Treasury 4.590% 2036 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All in rate	Independent Valuation
Tranche A	£77.5 million	40%	10 years	26 August 2031	2.403%	£61.6 million
Tranche B	£117.5 million	40%	15 years	26 August 2036	2.786%	£82.2 million
Blended Tranche A & B	**£195.0 million**	**40%**	**13 years**		**2.634%**	**£143.8 million**

The Groups loan to value at the year-end was 40.0% (2023: 37.0%).

The loans are considered a Level 2 fair value measurement.

The Group has met all compliance with its financial covenants on the above loans throughout the year.

EFFECT OF COVENANTS

All of the Group's non-current loans and borrowings contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period. As at 31 December 2024, the Group complied with all the covenants that were required to be met on or before 31 December 2024. The covenants that are required to be complied with after the end of the current interim period do not affect the classification of the related borrowings as current or non-current at the statement of financial position date. Therefore, all these borrowings remain classified as non-current liabilities.

21. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Reconciliation of liabilities to cash flows from financing activities:

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2024	**261,183**	**1,464**	**262,647**
Cashflows:			
Loan arrangement fees paid	(29)	–	(29)
Non-cash flows:			
– Amortisation of principal on head lease liabilities	–	(40)	(40)
– Amortisation of loan arrangement fees	287	–	287
– Accrued interest on head lease liabilities	–	44	44
At 31 December 2024	**261,441**	**1,468**	**262,909**

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2023	**261,088**	**1,460**	**262,548**
Cashflows:			
Loan arrangement fees paid	(212)	–	(212)
Non-cash flows:			
– Amortisation of principal on head lease liabilities	–	(40)	(40)
– Amortisation of loan arrangement fees	307	–	307
– Accrued interest on head lease liabilities	–	44	44
At 31 December 2023	**261,183**	**1,464**	**262,647**

22. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2024	393,916,490	3,940
Shares cancelled in the year	–	–
At 31 December 2024	**393,916,490**	**3,940**

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2023	403,239,002	4,033
Shares cancelled in the year	(9,322,512)	(93)
At 31 December 2023	**393,916,490**	**3,940**

The Company achieved admission to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, raising £200 million. As a result of the IPO, at 8 August 2017, 200,000,000 shares at one pence each were issued and fully paid. The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

Since then, there were three public offers up to 21 October 2020 with a further 193,916,490 Ordinary Shares of one pence each being issued and fully paid.

Rights, preferences and restrictions on shares: All Ordinary Shares carry equal rights, and no privileges are attached to any shares in the Company. All the shares are freely transferable, except as otherwise provided by law. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

The table above includes 450,000 treasury shares (note 24). Treasury shares do not hold any voting rights.

Between 19 April 2023 and 12 June 2023, the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share, the shares were subsequently cancelled.

23. SHARE PREMIUM RESERVE

The share premium reserve relates to amounts subscribed for share capital in excess of nominal value.

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	203,753	203,753
Balance at end of year	**203,753**	**203,753**

24. TREASURY SHARES RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	(378)	(378)
Balance at end of year	**(378)**	**(378)**

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. No treasury shares were purchased during the current or prior year. During the year ended 31 December 2019, the Company purchased 450,000 of its own 1p Ordinary Shares at a total gross cost of £377,706 (£374,668 cost of shares and £3,038 associated costs). As at 31 December 2024 and 31 December 2023, 450,000 1p Ordinary Shares were held by the Company.

25. CAPITAL REDUCTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	155,359	160,394
Share buybacks and cancellation	–	(5,035)
Balance at end of year	**155,359**	**155,359**

The capital reduction reserve is a distributable reserve that was created on the cancellation of share premium.

Between 19 April 2023 and 12 June 2023, the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share. The shares were subsequently cancelled.

CAPITAL REDEMPTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	93	–
Original shares repurchased & cancelled	–	93
Balance at end of year	**93**	**93**

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks.

26. RETAINED EARNINGS

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	84,850	71,483
Total comprehensive income for the year	(36,389)	34,989
Dividends paid	(21,484)	(21,622)
Balance at end of year	**26,977**	**84,850**

27. DIVIDENDS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
1.365p for the 3 months to 31 December 2022 paid on 29 March 2023	–	5,498
1.365p for the 3 months to 31 March 2023 paid on 28 June 2023	–	5,382
1.365p for the 3 months to 30 June 2023 paid on 29 September 2023	–	5,371
1.365p for the 3 months to 30 September 2023 paid on 15 December 2023	–	5,371
1.365p for the 3 months to 31 December 2023 paid on 28 March 2024	5,371	–
1.365p for the 3 months to 31 March 2024 paid on 28 June 2024	5,371	–
1.365p for the 3 months to 30 June 2024 paid on 4 October 2024	5,371	–
1.365p for the 3 months to 30 September 2024 paid on 13 December 2024	5,371	–
	21,484	**21,622**

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period 1 October 2024 to 31 December 2024, the total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Dividends are not payable in respect of the Treasury shares held by the Company.

28. LEASES

A. *LEASES AS LESSEE*

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	< 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease payables							
31 December 2024	**40**	**40**	**40**	**40**	**40**	**7,158**	**7,358**
31 December 2023	40	40	40	40	40	7,197	7,397

	31 December 2024 £'000	31 December 2023 £'000
Current liabilities (note 18)	40	40
Non-current liabilities (note 19)	1,428	1,424
Balance at end of year	**1,468**	**1,464**

The above is in respect of properties held by the Group under leasehold. There are 23 properties (2023: 23) held under leasehold with lease terms which range from 125 years to 999 years. The Group's leasing arrangements with lessors are headlease arrangements on land and buildings that have been sub-let under the Group's normal leasing arrangements (see above) to tenants. The Group carries its interest in these headlease arrangements as long leasehold investment property (note 14).

B. *LEASES AS LESSOR*

The Group leases out its investment properties (see note 14).

The undiscounted future minimum lease payments receivable by the Group under non-cancellable operating leases are as follows:

	< 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease receivables							
31 December 2024	**42,689**	**42,689**	**42,689**	**42,689**	**42,689**	**469,767**	**683,212**
31 December 2023	40,971	40,971	40,971	40,971	40,971	451,354	656,209

Leases are direct-let agreements with Registered Providers for a term of at least 15 years and usually between 20 to 25 years with rental uplifts linked to CPI or RPI. All leases are full repairing and insuring (FRI) leases, the tenants are therefore obliged to repair, maintain and renew the properties back to the original conditions.

The following table gives details of the percentage of annual rental income per Registered Provider with 10% or more than 10% share in any year presented:

Registered Provider	31 December 2024 % of total annual rent	31 December 2023 % of total annual rent
Inclusion Housing CIC	30	29
Parasol Homes (previously 28A Supported Living)	–	10

Other disclosures about leases are provided in notes 5, 14, 16, 19 and 33.

29. CONTROLLING PARTIES

As at 31 December 2024 there is no ultimate controlling party of the Company.

30. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified based on internal financial reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (which in the Group's case is delegated to the Delegated Investment Adviser TPIM for the year covered by these financial statements). From 1 January 2025 this will be Atrato Partners Limited, which was appointed as the AIFM for the Company with effect from this date, as set out in note 34.

The internal financial reports received by TPIM contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the financial statements.

The Group's property portfolio comprised 494 Social Housing properties as of 31 December 2024 (2023: 493) in England, Wales and Scotland. The Directors consider that these properties represent a coherent and diversified portfolio with similar economic characteristics and, as a result, these individual properties have been aggregated into a single operating segment. In the view of the Directors there is accordingly one reportable segment under the provisions of IFRS 8. All the Group's properties are engaged in a single segment business with all revenue, assets and liabilities arising in the UK, therefore, no geographical segmental analysis is required by IFRS 8.

31. RELATED PARTY DISCLOSURE

DIRECTORS

Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum (2023: £75,000), and the other directors of the Board receive a fee of £50,000 per annum (2023: £50,000). The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company (including the Issue). This was received by the Directors in 2020 but not in the current year as no prospectus was produced.

Dividends of the following amounts were paid to the Directors during the year:

Chris Phillips: £2,995 (2023: £2,995)
Peter Coward: £4,372 (2023: £4,372)
Tracey Fletcher-Ray: £2,060 (2023: £2,060)

No shares were held by Ian Reeves and Cecily Davis as of 31 December 2024 (31 December 2023: nil).

INVESTMENT MANAGER

As at 31 December 2024, the Company considered Triple Point Investment Management LLP ("TPIM") as providing the key management personnel and therefore a related party. Further details of the investment management contract and transactions with TPIM are disclosed in Note 8 and 9. With effect from 1 January 2025 Atrato Partners Limited has been appointed as the Company's Investment Manager, further details of which are provided in note 34.

32. CONSOLIDATED ENTITIES

The Group consists of a parent Company, Social Housing REIT plc, incorporated in the UK and a number of subsidiaries held directly by the Company, which operate and are incorporated in the UK. The principal place of business of each subsidiary is the same as their place of incorporation.

The Group owns 100% of the equity shares of all subsidiaries listed below and has the power to appoint and remove the majority of the Board of those subsidiaries. The relevant activities of the below subsidiaries are determined by the Board based on simple majority votes. Therefore, the Directors of the Company concluded that the Company has control over all these entities and all these entities have been consolidated within these financial statements. The principal activity of all the subsidiaries relates to property investment.

The subsidiaries listed below were held as at 31 December 2024:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
TP REIT Super Holdco Limited*	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Holdco 1 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Holdco 2 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Holdco 3 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Holdco 4 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Holdco 5 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Propco 2 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Propco 3 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Propco 4 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT Propco 5 Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
Norland Estates Limited	The Scalpel 18th Floor, 52 Lime Street London, EC3M 7AF	UK	100%

* indicates entity is a direct subsidiary of Social Housing REIT plc.

33. FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk in the current and future periods. The Board oversees the management of these risks. The Board's policies for managing each of these risks are summarised below.

33.1. MARKET RISK

The Group's activities will expose it primarily to the market risks associated with changes in property values.

RISK RELATING TO INVESTMENT IN PROPERTY

Investment in property is subject to varying degrees of risk. Some factors that affect the value of the investment in property include:

- changes in the general economic climate;
- competition for available properties;
- obsolescence; and
- Government regulations, including planning, environmental and tax laws.

Variations in the above factors can affect the valuation of assets held by the Group and as a result can influence the financial performance of the Group.

The factors mentioned above have not had a material impact on the valuations of the investment properties as at 31 December 2024, and are not expected to in the immediate future, but will continue to be monitored closely.

There was no impact on the valuations in the year ended 31 December 2024 from climate change factors, given that there is little measurable impact on inputs at present.

33.2. INTEREST RATE RISK

The Group's debt at 31 December 2024 does not have any exposure to interest rate risk.

33.3. CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from both its leasing activities and financing activities, including deposits with banks and other institutions as detailed in notes 17 and 20.

CREDIT RISK RELATED TO FINANCIAL INSTRUMENTS AND CASH DEPOSITS

One of the principal credit risks the Group faces arises with the funds it holds with banks and other institutions. At 31 December 2024 the Group has £27.5 million in current accounts held at banks, see note 17. The Board believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks and institutions with high credit ratings.

In August 2024, Fitch has assigned the Company an Investment Grade Long-Term Issuer Default Rating of 'A-' and a senior secured rating of 'A' for the Group's existing loan notes, for the third consecutive time, see note 20.

All financial assets are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets disclosed in notes 15 and 16.

CREDIT RISK RELATED TO LEASING ACTIVITIES

In respect of property investments, in the event of a default by a tenant, the Group will suffer a rental shortfall and additional costs concerning re-letting the property to another Social Housing Registered Provider. Credit risk is primarily managed by testing the strength of covenant of a tenant prior to acquisition and on an ongoing basis. The Investment Manager also monitors the rent collection in order to anticipate and minimise the impact of defaults by occupational tenants. Outstanding rent receivables are regularly monitored, the balance of outstanding rent relating to 31 December 2024 was nil as at 28 February 2025, after a provision for the expected credit loss.

The Group has leases in place with ten Registered Providers that have been deemed non-compliant by the Regulator of Social Housing ('RSH') as at 31 December 2024 (2023: ten). We continue to conduct ongoing due diligence on all Registered Providers and all rents payable under these leases have been paid. We continue to monitor and maintain a dialogue with the Registered Providers as they work with advisers and the RSH to implement a financial and governance improvement action plan in order to address the RSH's concerns. The Board believes that the credit risk associated with the non-compliant rating is limited.

Rent receivable and insurance debtor are the Group's only financial assets that is subjected to the expected credit loss model. While the Group has other financial assets that are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

33. FINANCIAL RISK MANAGEMENT CONTINUED

33.4. LIQUIDITY RISK

The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of customers to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available to fund the Group's operating activities on a weekly basis. Upcoming cash requirements are compared to existing cash reserves available, followed by discussions around optimal cash management opportunities in order to best manage liquidity risk.

The following table details the Group's liquidity analysis:

31 December 2024	< 3 months £'000	3-12 Months £'000	1-5 years £'000	> 5 years £'000	Total £'000
Headleases (note 28)	10	30	160	7,158	7,358
Trade and other payables (note 18)	6,055	–	–	–	6,055
Bank and other borrowings (note 20)					
– Fixed interest rate	–	–	41,500	222,000	263,500
– Variable interest rate	–	–	–	–	–
Interest payable on bank and other borrowings:					
– Fixed interest rate	1,804	5,413	27,049	27,909	62,175
– Variable interest rate	–	–	–	–	–
Total	**7,869**	**5,443**	**68,709**	**257,067**	**339,088**

31 December 2023	< 3 months £'000	3-12 Months £'000	1-5 years £'000	> 5 years £'000	Total £'000
Headleases (note 28)	10	30	160	7,197	7,397
Trade and other payables (note 18)	2,487	195	–	–	2,682
Bank and other borrowings (note 20)					
– Fixed interest rate	–	–	41,500	222,000	263,500
– Variable interest rate	–	–	–	–	–
Interest payable on bank and other borrowings:					
– Fixed interest rate	1,804	5,413	28,263	33,913	69,393
– Variable interest rate	–	–	–	–	–
Total	**4,301**	**5,638**	**69,923**	**263,110**	**342,972**

33.5. FINANCIAL INSTRUMENTS

The Group's principal financial assets and liabilities, which are all held at amortised cost, are those that arise directly from its operation: trade and other receivables, trade and other payables, headleases, borrowings and cash, cash equivalents and restricted cash.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are included in the financial statements:

	Book value 31 December 2024 £'000	Fair value 31 December 2024 £'000	Book value 31 December 2023 £'000	Fair value 31 December 2023 £'000
Financial liabilities:				
Bank and other borrowings	261,441	202,836	261,183	205,078

34. POST BALANCE SHEET EVENTS

INVESTMENT MANAGER

With effect from 1 January 2025 Atrato Partners Limited ('Atrato') was appointed as the Investment Manager, taking over from TPIM. As part of the change of investment manager a new Investment Management Agreement was entered into between the Company and Atrato.

Under the new Investment Management Agreement the management fee, payable by the Company on a quarterly basis, will be based on a percentage of the Company's market capitalisation at the end of each quarter (the "**Management Fee**"), ensuring alignment with shareholders. The Management Fee will be calculated using the following fee thresholds and rates:

Market capitalisation threshold	*Relevant fee rate (per annum)*
Up to and including £150m	1.25 per cent.
Above £150m and up to and including £300m	1.00 per cent.
Above £300m	0.70 per cent.

The Investment Manager, or any connected person nominated, undertakes to invest in and hold an amount of shares in the Company equal to 25% of the Management Fee (after making an allowance for tax payable by the Investment Manager). The Investment Manager has agreed, subject to certain exceptions, not to dispose of such shares for a period of 12 months from the date of their acquisition.

SUCCESS FEE

If Atrato arranges and effects the sale of any properties at the direction of the Company, and the Company elects to return such value to shareholders, the Company shall pay to Atrato a fee equal to 0.5% of the gross sale price of the relevant properties.

NOTICE

The new Investment Management Agreement with Atrato may be terminated by the Company on 12 months' written notice at any time.

MY SPACE

My Space has not paid the Company any rent since June 2024, as it continues to face significant financial difficulties. During the investment management transition, Atrato has been in regular dialogue with the new senior team at My Space.

On 31 January 2025, My Space and its appointed insolvency specialist, Begbies Traynor, issued a proposal for a company voluntary arrangement ("CVA") to remedy structural challenges in their business and avoid an administration or liquidation process. The proposal was passed by a creditor vote on 7 March 2025. Prior to the vote, Atrato negotiated an option agreement for the Company, which permits the assignment of the Group's properties within 12-months of the end of the CVA challenge period.

The Company has 34 properties leased to My Space, of which 22 are used for Supported Housing. Atrato has agreed heads of terms with a nationwide Approved Provider about transferring the My Space leases and is now working with them, My Space and relevant regulatory bodies to facilitate the transfer over the coming months. We expect rent collection to re-commence and resident occupancy to increase post-transfer.

DIVIDEND

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2024 to 31 December 2024. The total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

35. CAPITAL COMMITMENTS

The Group does not have capital commitments in both the prior year and the current year.

36. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, both basic and diluted earnings per share are the same.

The calculation of basic and diluted earnings per share is based on the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Calculation of Earnings per share		
Net (loss)/profit attributable to Ordinary Shareholders (£'000)	(36,389)	34,989
Weighted average number of Ordinary Shares (excluding treasury shares)	393,466,490	397,007,975
IFRS Earnings per share – basic and diluted	**(9.25)**	**8.81p**
Calculation of EPRA Earnings per share		
Net (loss)/profit attributable to Ordinary Shareholders (£'000)	(36,389)	34,989
Loss/(gain) from fair value adjustment on investment properties (£'000)	53,030	(15,477)
Termination fees	3,343	–
EPRA earnings (£'000)	**19,984**	**19,512**
Non-cash adjustments to include:		
Amortisation of loan arrangement fees (£'000)	287	307
Movement in Lease Incentive Debtor (£'000)	965	(1,500)
Adjusted earnings (£'000)	**21,236**	**18,319**
Weighted average number of Ordinary Shares (excluding treasury shares)	393,466,490	397,007,975
EPRA earnings per share – basic and diluted	**5.08p**	**4.92p**
Adjusted earnings per share – basic and diluted	**5.40p**	**4.61p**

EPRA released revised Best Practice Reporting guidelines during September 2024 which are effective for reporting periods beginning on or after 1 October 2024. The Company has early adopted these guidelines for the current reporting period. The revised guidelines permit adjustments in respect of non-operating or exceptional items within EPRA earnings as they are unusual in nature and very unlikely to reoccur in the foreseeable future. The termination payments of £3.3 million in respect of the change in Investment manager are considered to be exceptional items and have been added back in arriving at EPRA earnings. There is no impact in respect of the prior year as there were no items that fall within this category.

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for non-cash items, including amortisation of ongoing loan arrangement fees and the movement in the lease incentive debtor. In the current year, an amount of £1,984,000 (2023: nil) was written off in respect of a lease incentive debtor relating to Parasol when the leases were transferred to Westmoreland as this is not reflective of the actual cashflows. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

37. NET ASSET VALUE PER SHARE

Basic Net Asset Value ("NAV") per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to Ordinary Shareholders of the Company by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	31 December 2024	31 December 2023
Net assets at the end of the year (£'000)	389,744	447,617
Shares in issue at end of the year (excluding treasury shares)	393,466,490	393,466,490
Dilutive shares in issue	–	–
IFRS NAV per share – basic and dilutive	**99.05p**	**113.76p**

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group considers proceeds from share issuance, bank and other borrowings and retained earnings as capital.

Until the Group is fully invested and pending re-investment or distribution of cash receipts, the Group will invest in cash equivalents, near cash instruments and money market instruments.

The level of borrowing will be on a prudent basis for the asset class and will seek to achieve a low cost of funds, whilst maintaining the flexibility in the underlying security requirements and the structure of both the investment property portfolio and the Group.

The Directors currently intend that the Group should target a level of aggregate borrowings over the medium term equal to approximately 40% of the Group's Gross Asset Value. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50% of the Gross Asset Value.

The initial fixed rate facility with MetLife requires an asset cover ratio of x2.00 (amended from previous covenant of x2.25 in August 2021 to bring more in line with the ACR covenant in the new Note Purchase Agreement with MetLife and Barings) and an interest cover ratio of x1.75. At 31 December 2024, the Group was fully compliant with both covenants with an asset cover ratio of x2.49 (2023: x2.81) and an interest cover ratio of x4.78 (2023: x4.63).

The subsequent facility with MetLife and Barings requires an asset cover ratio of x1.67 and an interest cover ratio of x1.75. At 31 December 2024, the Group was fully compliant with both covenants with an asset cover ratio of x2.01 (2023: x2.01) and an interest cover ratio of x4.28 (2023: x4.26).

COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investment in subsidiaries	4	379,703	432,498
Total non-current assets		**379,703**	**432,498**
Current assets			
Trade and other receivables	5	6,829	1,291
Cash, cash equivalents and restricted cash	6	13,988	15,919
Total current assets		**20,817**	**17,210**
Total assets		**400,520**	**449,708**
Liabilities			
Current liabilities			
Trade and other payables	7	10,776	2,091
Total current liabilities		**10,776**	**2,091**
Total liabilities		**10,776**	**2,091**
Total net assets		**389,744**	**447,617**
Equity			
Share capital	8	3,940	3,940
Share premium reserve	9	203,753	203,753
Treasury shares reserve	10	(378)	(378)
Capital reduction reserve	11	155,359	155,359
Capital redemption reserve	11	93	93
Retained earnings	13	26,977	84,850
Total equity		**389,744**	**447,617**
Net asset value per share – basic and diluted	14	**99.05p**	**113.76p**

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss of the Company for the year was £36,389,000 (2023: Profit of £65,739,000).

The Company Financial Statements were approved and authorised for issue by the Board on 21 March 2025 and signed on its behalf by:

Chris Phillips
Chair

21 March 2025

The accompanying notes on pages 146 to 152 form an integral part of these Company Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**84,850**	**447,617**
Total comprehensive income for the year		–	–	–	–	–	(36,389)	**(36,389)**
Transaction with owners								
Dividends paid	12	–	–	–	–	–	(21,484)	**(21,484)**
Balance at 31 December 2024		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**26,977**	**389,744**

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		**4,033**	**203,753**	**(378)**	**–**	**160,394**	**40,733**	**408,535**
Total comprehensive income for the year		–	–	–	–	–	65,739	**65,739**
Transaction with owners								
Dividends paid	12	–	–	–	–	–	(21,622)	**(21,622)**
Shares repurchased		(93)	–	–	93	(5,035)	–	**(5,035)**
Balance at 31 December 2023		**3,940**	**203,753**	**(378)**	**93**	**155,359**	**84,850**	**447,617**

The accompanying notes on pages 146 to 152 form an integral part of these Company Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006.

1.1. DISCLOSURE EXEMPTIONS ADOPTED

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Group.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Group Financial Statements. These financial statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

The material accounting policy information applied in the preparation of the financial statements are set out below.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. CURRENCY

The Company financial information is presented in Sterling which is also the Company's functional currency.

2.2. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries is included in the Company's Statement of Financial Position at cost less provision for impairment. Investments are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. Where assets have been transferred within the Group, a capital reduction in the originating company is performed, and a dividend is declared to Social Housing REIT plc. This results in an impairment to investments in subsidiaries.

2.3. TRADE AND OTHER RECEIVABLES

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less from the end of the reporting period, they are classified as current assets.

Rent receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions for amounts due from subsidiaries are recognised based on a forward-looking expected credit loss model using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2.4. DIVIDEND PAYABLE TO SHAREHOLDERS

Dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved. Interim dividends are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

2.5. INVESTMENT MANAGEMENT FEES

Investment management fees are recognised in the profit or loss on an accrual basis.

2.6. TREASURY SHARES

Consideration paid or received for the purchase or sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimate and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

INVESTMENTS

Investments held as fixed assets are stated at cost less any provision for impairment. The Directors assess the recoverability of investments made and economic benefit of the investments based on market conditions, economic forecasts and cash flow estimates.

4. INVESTMENT IN SUBSIDIARIES

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	432,498	395,213
(Impairment)/reversal of impairment	(53,644)	37,285
Additions	849	–
Balance at end of year	**379,703**	**432,498**

Investment in subsidiaries are included in the Company's Statement of Financial Position at cost less provision for impairment.

An impairment of £53.6 million has been recognised in the current year following the reduction in the valuations of the underlying investment properties. Following these valuation reductions the net assets of certain subsidiaries no longer support the carrying value of the investments in line with the recoverable amount, which was also considered to be its value in use. The underlying assumptions are detailed in note 14 to the Group financial statements. There has also been a material increase in amounts due from subsidiaries during the year, these amounts are expected to be settled in full post period end.

In 2023 the reversal of impairment in the year was due to the underlying net asset value of the subsidiary increasing due to the valuations of the underlying property, requiring a reversal of the original impairment.

Given that the underlying investments are supported by a valuation of the properties, the Company has considered the recoverable amount by reference to the net asset value of the Group. If the average discount rate in the valuation of the Group's investment properties were 1% lower/higher, the carrying value would £70,645,000 higher/£59,690,000 lower respectively.

A list of the Company's subsidiary undertakings as at 31 December 2024 is included in note 32 of the Group Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2024

5. TRADE AND OTHER RECEIVABLES

	31 December 2024 £'000	31 December 2023 £'000
Amounts due from subsidiaries	6,696	1,140
Prepayments	133	150
Other receivables	–	1
	6,829	**1,291**

The directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date.

The Company applies the general approach to providing for expected credit losses under IFRS 9 for amounts due from subsidiaries. The expected credit loss in the current year and prior year are immaterial.

6. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2024 £'000	31 December 2023 £'000
Restricted cash	593	438
Cash at bank	13,395	15,481
	13,988	**15,919**

Restricted cash represents monies held in escrow in relation to the transfer of leases to be used for future costs.

7. TRADE AND OTHER PAYABLES

CURRENT LIABILITIES

	31 December 2024 £'000	31 December 2023 £'000
Trade payables	139	1
Accruals	5,518	2,070
Amounts owed to subsidiaries	5,099	–
Other creditors	20	20
	10,776	**2,091**

The directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date. The £5.5 million of accruals includes £3.3 million of the termination fees payable to TPIM. £2.9 million of these fees have been paid post year end.

8. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2024	393,916,490	3,940
Shares cancelled in the year	–	–
At 31 December 2024	**393,916,490**	**3,940**

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2023	403,239,002	4,033
Shares cancelled in the year	(9,322,512)	(93)
At 31 December 2023	**393,916,490**	**3,940**

The Company achieved admission to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, raising £200 million. As a result of the IPO, at 8 August 2017, 200,000,000 shares at one pence per share have been issued and fully paid. The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

Since then there were three public offers up to 21 October 2020 with a further 193,916,490 Ordinary Shares of one pence each being issued and fully paid.

The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

The table above includes 450,000 treasury shares (note 10). Treasury shares do not hold any voting rights.

Between 19 April 2023 and 12 June 2023 the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share, the shares were subsequently cancelled.

9. SHARE PREMIUM RESERVE

The share premium reserve relates to amounts subscribed for share capital in excess of nominal value.

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	203,753	203,753
Balance at end of year	**203,753**	**203,753**

10. TREASURY SHARES RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	(378)	(378)
Balance at end of year	**(378)**	**(378)**

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. During the year ended 31 December 2019, the Company purchased 450,000 of its own 1p Ordinary Shares at a total gross cost of £377,706 (£374,668 cost of shares and £3,038 associated costs). As at 31 December 2024, 450,000 1p Ordinary Shares are held by the Company (31 December 2023: 450,000 1p Ordinary Shares).

11. CAPITAL REDUCTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	155,359	160,394
Share buybacks	–	(5,035)
Balance at end of year	**155,359**	**155,359**

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve. Between 19 April 2023 and 12 June 2023, the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share.

During the Board meeting on 3 August 2017 a resolution was passed authorising the cancellation of the share premium account. The amount standing to the credit of the share premium account of the Company following completion of the Issue (less any issue expenses set off against the share premium reserve) was, as a result, credited as a distributable reserve to be established in the Company's books of account which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the CA 2006) are able to be applied.

In order to cancel the share premium reserve, the Company needed to obtain a court order, which was received on 15 November 2017. An SH19 form was filed at Companies House with a copy of the court order and the certificate of cancellation was issued by Companies House on 15 November 2017.

CAPITAL REDEMPTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	93	–
Original shares repurchased & cancelled	–	93
Balance at end of year	**93**	**93**

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks.

12. DIVIDENDS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
1.365p for the 3 months to 31 December 2022 paid on 22 March 2024	–	5,498
1.365p for the 3 months to 31 March 2023 paid on 14 June 2023	–	5,382
1.365p for the 3 months to 30 June 2023 paid on 27 September 2024	–	5,371
1.365p for the 3 months to 30 September 2023 paid on 12 December 2024	–	5,371
1.365p for the 3 months to 31 December 2023 paid on 28 March 2024	5,371	–
1.365p for the 3 months to 31 March 2024 paid on 28 June 2024	5,371	–
1.365p for the 3 months to 30 June 2024 paid on 4 October 2024	5,371	–
1.365p for the 3 months to 30 September 2024 paid on 13 December 2024	5,371	–
	21,484	**21,622**

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2024 to 31 December 2024. The total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Dividends are not payable in respect of the treasury shares held by the Company.

13. RETAINED EARNINGS

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	84,850	40,733
Total comprehensive income for the year	(36,389)	65,739
Dividends paid	(21,484)	(21,622)
Balance at end of year	**26,977**	**84,850**

14. NET ASSET VALUE PER SHARE

Net Asset Value per share is calculated by dividing net assets in the Company Statement of Financial Position attributable to ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the year. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	31 December 2024	31 December 2023
Net assets at end of the year (£'000)	389,744	447,617
Shares in issue at end of the year (excluding treasury shares)	393,466,490	393,466,490
Dilutive shares in issue	–	–
NAV per share – basic and dilutive	**99.05p**	**113.76p**

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company Financial Statements are presented together with the Group Financial Statements.

Note 31 of the Notes to the Group Financial Statements includes details of other related party transactions undertaken by the Company and its subsidiaries.

16. POST BALANCE SHEET EVENTS

INVESTMENT MANAGER

With effect from 1 January 2025 Atrato Partners Limited ('Atrato') was appointed as the Investment Manager, taking over from TPIM. As part of the change of investment manager a new Investment Management Agreement was entered into between the Company and Atrato.

Under the new Investment Management Agreement the management fee, payable by the Company on a quarterly basis, will be based on a percentage of the Company's market capitalisation at the end of each quarter (the "**Management Fee**"), ensuring alignment with shareholders. The Management Fee will be calculated using the following fee thresholds and rates:

Market capitalisation threshold	*Relevant fee rate (per annum)*
Up to and including £150m	1.25 per cent.
Above £150m and up to and including £300m	1.00 per cent.
Above £300m	0.70 per cent.

The Investment Manager, or any connected person nominated, undertakes to invest in and hold an amount of shares in the Company equal to 25% of the Management Fee (after making an allowance for tax payable by the Investment Manager). The Investment Manager has agreed, subject to certain exceptions, not to dispose of such shares for a period of 12 months from the date of their acquisition.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2024

SUCCESS FEE

If Atrato arranges and effects the sale of any properties at the direction of the Company, and the Company elects to return such value to shareholders, the Company shall pay to Atrato a fee equal to 0.5% of the gross sale price of the relevant properties.

NOTICE

The new Investment Management Agreement with Atrato may be terminated by the Company on 12 months' written notice at any time.

DIVIDEND

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2024 to 31 December 2024. The total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

UNAUDITED PERFORMANCE MEASURES

For the year ended 31 December 2024

1. EPRA NET REINSTATEMENT VALUE

	31 December 2024	31 December 2023
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
Include:		
Real Estate Transfer Tax* (£'000)	38,594	41,962
EPRA Net Reinstatement Value (£'000)	**428,338**	**489,579**
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Reinstatement value per share	**108.86p**	**124.43p**

* Purchasers' costs

2. EPRA NET DISPOSAL VALUE

	31 December 2024	31 December 2023
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
Include:		
Fair value of debt* (£'000)	58,605	56,106
EPRA Net Disposal Value (£'000)	**448,349**	**503,723**
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Disposal Value per share**	**113.95p**	**128.02p**

* Difference between interest-bearing loans and borrowings included in Group Statement of Financial Position at amortised cost, and the fair value of interest-bearing loans and borrowings.

** Equal to the EPRA NNNAV disclosed in previous reporting periods.

3. EPRA NET TANGIBLE ASSETS

	31 December 2024	31 December 2023
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
EPRA Net Tangible Assets (£'000)	**389,744**	**447,617**
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Tangible Assets per share*	**99.05p**	**113.76p**

* Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 31 December 2024 or 31 December 2023.

UNAUDITED PERFORMANCE MEASURES

For the year ended 31 December 2024

4. EPRA NET INITIAL YIELD (NIY) AND EPRA "TOPPED UP" NIY

	31 December 2024 £'000	31 December 2023 £'000
Investment properties – wholly-owned (excluding head lease ground rents)	623,227	674,034
Less: development properties	–	–
Completed property portfolio	**623,227**	**674,034**
Allowance for estimated purchasers' costs	38,594	41,962
Gross up completed property portfolio valuation	**661,821**	**715,996**
Annualised passing rental income	42,606	39,912
Property outgoings	–	–
Annualised net rents	**42,606**	**39,912**
Contractual increases for lease incentives	83	1,059
Topped up annualised net rents	**42,689**	**40,971**
EPRA NIY	**6.44%**	**5.57%**
EPRA Topped Up NIY	**6.45%**	**5.72%**

5. ONGOING CHARGES RATIO

	31 December 2024 £'000	31 December 2023 £'000
Annualised ongoing charges	6,885	7,242
Average undiluted net assets	418,681	443,451
Ongoing charges	**1.64%**	**1.63%**

6. EPRA VACANCY RATE

	31 December 2024 £'000	31 December 2023 £'000
Estimated Market Rental Value (ERV) of vacant spaces	138	138
Estimated Market Rental Value (ERV) of whole portfolio	42,826	40,971
EPRA Vacancy Rate	**0.32%**	**0.33%**

7. EPRA COST RATIO

	31 December 2024 £'000	31 December 2023 £'000
Total administrative and operating costs	11,677	8,208
Gross rental income	39,072	39,839
EPRA cost ratio	**29.89%**	**20.60%**

GLOSSARY AND DEFINITIONS

"AIC CODE"	AIC Code of Corporate Governance produced by the Association of Investment Companies.
"AIC GUIDE"	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies.
"AIFM"	the alternative investment fund manager of the Company being Triple Point Investment Management LLP.
"AIFMD"	the EU Alternative Investment Fund Managers Directive 2011/61/EU.
"APPROVED PROVIDER"	a housing association, Local Authority or other regulated organisation in receipt of direct payment from local government including a care provider.
"BASIC NAV"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time.
"BOARD"	the Directors of the Company from time to time.
"COMPANY"	Social Housing REIT plc (company number 10814022).
"DTR"	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers.
"EPRA"	the European Public Real Estate Association.
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time.
"GROUP"	the Company and any subsidiary undertakings from time to time.
"INVESTMENT MANAGER"	Atrato Partners Limited (company number 10533101).
"IPO"	the admission by the Company of 200 million Ordinary Shares to trading on the Specialist Fund Segment of the Main Market, which were the subject of the Company's initial public offering on 8 August 2017.
"NAV"	the net assets of the Company in accordance with applicable accounting rules from time to time.
"NIY"	net initial yield, being the annual rent generated under a lease in respect of a property divided by the combined total of that property's acquisition price and acquisition costs.
"ORDINARY SHARES"	ordinary shares of £0.01 each in the capital of the Company.
"REGISTERED PROVIDER"	a housing association or Local Authority.
"REGULATOR OF SOCIAL HOUSING"	the Regulator of Social Housing is an executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities responsible for promoting a viable, efficient and well-governed social housing sector.

GLOSSARY AND DEFINITIONS

"REIT" means a qualifying real estate investment trust in accordance with the UK REIT Regime introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of the Corporation Tax Act 2010.

"SUPPORTED HOUSING" accommodation that is suitable, or adapted, for residents with special needs, which may (but does not necessarily): (a) include some form of personal care provided by a supported housing care provider; and/or (b) that enable those tenants to live independently in the community.

"SPECIALISED SUPPORTED HOUSING" accommodation which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community.

"TOTAL RETURN" the percentage increase in net asset value plus dividends paid since IPO.

"WAULT" the weighted average unexpired lease term certain across the portfolio, weighted by contracted rental income. We have included all parts of the term certain, including additional leases which are triggered by landlords' put options, but not those triggered by lessees' call options unless the options were mutual.

SHAREHOLDER INFORMATION

NON-EXECUTIVE DIRECTORS

Chris Phillips
Ian Reeves CBE
Peter Coward
Tracey Fletcher-Ray
Cecily Davis
Bryan Sherriff

REGISTERED OFFICE

The Scalpel 18th Floor
52 Lime Street
London
EC3M 7AF

ALTERNATIVE INVESTMENT FUND MANAGER ("INVESTMENT MANAGER")

Atrato Partners Limited
3rd Floor
10 Bishops Square
London
E1 6EG

JOINT FINANCIAL ADVISER

Akur Limited
66 St James's Street
London
SW1A 1NE

JOINT FINANCIAL ADVISER AND CORPORATE BROKER

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

LEGAL ADVISER

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

TAX ADVISER

Deloitte LLP
1 New Street Square
London
EC4A 3BZ

DEPOSITARY

INDOS Financial Limited
The Scalpel
52 Lime Street
London
EC3M 7AF

ADMINISTRATOR AND COMPANY SECRETARY

Hanway Advisory Limited
The Scalpel 18th Floor
52 Lime Street
London
EC3M 7AF

REGISTRAR

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

VALUER

Jones Lang LaSalle Limited
30 Warwick Street
London
W1B 5NH

FINANCIAL PUBLIC RELATIONS ADVISER

Brunswick Group Partnership Limited
16 Lincoln's Inn Fields
London
WC2A 3ED

3RD FLOOR, 10 BISHOPS SQUARE,
LONDON, UNITED KINGDOM E1 6EG

FOR FURTHER INFORMATION ABOUT ATRATO GROUP
PLEASE CALL +44 (0)20 3884 2374
OR SEND AN EMAIL TO CONTACT@ATRATOPARTNERS.COM
SOCIALHOUSINGREIT.COM